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NEWS SUMMARY

GENERAL

Israelis hope for progress on talks

Israeli officials determinedly exuded optimism about the talks with Lebanon, in spite of the deadlock which emerged at the opening meeting in Khalde, near Beirut, on Tuesday.

When the second session opens in Kiryat Shmona in north Israel today, Israel may propose that the negotiations be conducted by a series of sub-committees each discussing a different issue.

This was suggested in consultations yesterday on ways of overcoming the problem of drawing up an agenda listing the issues to be discussed and their order of priority. Page 3

Angola killings

Angola's main rebel movement, Unita, reported it had killed 404 government soldiers and 70 Cubans in a four-day Christmas offensive.

Kenya papers threat

Kenyan Health Minister Mukasa Mango said the Government was planning to ban some of the country's newspapers, the Daily Nation reported.

Spain shooting

Two Spanish paramilitary civil guards were killed by machine-gun fire at the Irun border railway station.

Miami riot inquiry

Miami city manager Howard Grey promised a full inquiry into the shooting by police of a black man which sparked a potentially explosive disturbance on Tuesday night in a mainly black area of the city. Picture, Page 2

Talks hope

The Strategic Arms Reduction Talks with the Soviet Union have an even chance of reaching agreement next year, U.S. negotiator Gen Edward Rowny said. Page 2

Iran arrests

A number of Iranian officials have been arrested in a crackdown ordered by Ayatollah Ruhollah Khomeini on judges and administrators who abuse *their* authority and violate human rights.

E. German escapees

A total of 2,392 East Germans escaped into West Germany this year, according to the West German Interior *Ministry*.

Oslo rejects N-plan

Norwegian Foreign Minister Svenn Stray rejected Soviet leader Yuri Andropov's proposals to cut Soviet medium-range missiles to the number of nuclear missiles deployed by Britain and France.

Corsica pledge

French Security Minister Joseph Franceschi said a fresh wave of political violence in Corsica by nationalists will be *firmly resisted*.

U.S. seeks bases

The U.S. has asked *for* military facilities in mainland Portugal, in exchange for increased U.S. help in re-arming the country's military forces.

Briefly . . .

Five *miners* died in a cave-in 1,900 feet below ground at Katowice, south-west Poland.

Sweden's population increased by about 3,100 this year, the lowest growth in 110 years.

BUSINESS

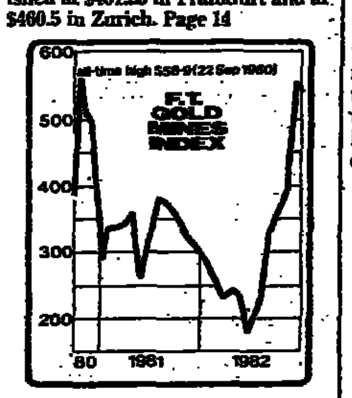
Dresdner sells stake in MG

● DRESDNER BANK of West Germany is selling its 33 per cent stake in *Metallgesellschaft*, the West German metals and chemicals group, to a new holding company. Dresdner will be one of the two equal shareholders in the company, the other is the Afro American Investment Holding Company, a Cayman Islands-registered concern. Page 22

● DOLLAR fell to DM 2.37 (DM 2.395 on Friday), FFr 6.715 (FFr 6.8), SwFr 1.99 (SwFr 2.01) and Y232.75 (Y238). Its Bank of England trade-weighted index was 118.1 (119.4). Page 15

● STERLING rose 2.1 cents from Friday to $1.627. *It also improved to* DM 3.8575 (DM 3.8475), FFr 10.925 (FFr 10.915), SwFr 3.2375 (SwFr 3.225) and Y379 (Y382). Its trade-weighted index was 84.3 (84.1). Page 15

● GOLD gained $14 from Friday's close to $462.5 in London. It finished at $461.25 in Frankfurt and at $460.5 in Zurich. Page 14



● WALL STREET: Dow Jones index closed up 0.73 at 1,059.60. Page 18

● HONG KONG: Hang Seng index slipped 4.68 to 776.22. Page 18

● AUSTRALIA: All share index rose 5.6 to 485.4. Page 16

● FRANKFURT: Commerzbank index edged up 0.1 to 761.6. Page 16

● TOKYO markets were closed.

● LONDON: FT Industrial Ordinary index added 3.5 to 593.7. FT Gold Mines index jumped 16.6 to 552.9 on hopes of cheaper international credit, which also boosted gilts which generally gained about 2 points. Page 17

● SIR ANTHONY TOUCHE, former chairman of Touche, Remnant & Co, UK investment manager, is believed to be the front runner to take over as chairman of National Westminster Bank after the appointment of Mr Robin Leigh-Pemberton as the next Governor of the Bank of England.

● CHINA expects total industrial output value to rise 7 per cent to over Yuan 550bn ($275bn), exceeding the original target of 4 to 5 per cent, the official Xinhua news agency reported.

● BRITAIN lost 7.85m working days through strikes in 1982, against 3.95m last year.

● WEST GERMAN deliveries of grain to East Germany rose by more than 50 per cent to about DM 745m ($310m) by the end of November. Page 3

● ZIMBABWE has agreed to the immediate closure of the Empress Nickel Mine, owned by the Rio Tinto group, with the loss of nearly 1,200 jobs. Page 3

● CHRYSLER Canada has decided to postpone the retooling of an idle Windsor, Ontario, plant, putting in jeopardy a C$250m package *designed to* save the car maker. Page 10

● The International Edition is in one section today. International Company News begins on Page 18.

Austria	Sch 15	France	FFr 5.00	Jordan	Fils 500	Norway	Nkr 6.00	Switzerland	SwFr 2
Bahrain	Din 0.600	Germany	DM 2.00	Kuwait	Fils 450	Philippines	Pts 20	Tunisia	Din 0.600
Belgium	BFr 35	Greece	Dr 50	Lebanon	£L 6.00	Portugal	Esc 80	Turkey	L 130
Canada	C$2.50	India	Rup 15	Luxembourg	LFr 35	S. Arabia	Rls 5.50	U.A.E.	Dh 6.00
Denmark	DKr 7.00	Indonesia	Rp 1600	Malaysia	Rm 3.65	Singapore	S$3.80	U.S.A.	$1.50
Egypt	P90	Italy	L1100	Morocco	Dh 6.00	Spain	Pts 85		
Finland	Fmk 5.00	Japan	Y650	Netherlands	Fl 2.25	Sweden	Skr 6.50		

Reagan expected to cut growth forecast to 2%

BY ANATOLE KALETSKY IN WASHINGTON

President Ronald Reagan is likely to present Congress next month with a reduced forecast of U.S. economic growth for 1983: at 2 per cent or less, compared with preliminary projections of around 3 per cent made in the autumn, according to senior Administration officials.

Most of the reduction is due to the disappointing performance already registered by the economy this year. *The Administration still* expects a significant recovery to begin in the first half of 1983, albeit from a much lower base than predicted earlier.

A Commerce Department announcement last week that gross national product in the current quarter appeared to be dropping at an annual rate of 2.2 per cent, instead of rising gently as most economists had expected, made inevitable a cut in the GNP forecast for the whole of 1983.

However, the growth rate between the depressed fourth quarter of this year and the fourth quarter of 1983 will look much better. This figure should show growth of 3 per *cent, with 3.5 per cent "entirely possible,"* according to one official.

A major reason for the present unexpected weakness of the economy is the strength of the dollar and the soaring trade deficit, as domestic demand have been met increasingly by foreign goods, while U.S. export markets has stagnated.

The November trade figures, released yesterday, show a merchandise trade deficit of $4.09bn, compared with $5.33bn and $4.19bn in the previous two months. *Some* economists believe that the sharp decline in the dollar in recent weeks, particularly against the yen, *will* significantly improve growth prospects if it is maintained.

Administration officials stressed yesterday that the new forecast, to form part of Mr Reagan's 1984 budget submission, had been agreed only in outline by the President's top three economic officials: Mr Donald Regan, the Treasury Secretary, Mr Martin Feldstein, chairman of the Council of Economic Advisers, and Mr David Stockman, the Budget Director.

Mr George Shultz, the Secretary of State, is also believed to have been consulted, *but even the outline* figures have not yet been approved by Mr Reagan and they may well be revised substantially

Inevitably, one of the most controversial figures will be for unemployment. Although no number has been disclosed, the very gentle recovery implied by the overall growth forecast means that the unemployment rate is unlikely to fall much below 10 per cent during the course of next year.

Inflation will remain at or below the current rate of roughly 5 per cent throughout the year, according to the Administration's figures.

If the figures are approved by the President, they will represent a marked departure from the practice of the last few years, which has been to make forecasts at or above the top of the range of private economists' projections.

Mr Reagan is being pressed to break with tradition and endorse a relatively pessimistic forecast partly because his Administration's *credibility has been severely undermined* by over-optimism in the past. It is also being argued within the Administration that a realistic forecast *will make it easier to negotiate* with Congress on the 1984 budget, since in the past conflicting economic assumptions have created great confusion in budget talks.

By showing deficits of $200bn or more in the coming years, a realistic forecast may also restrain Congressional pressure for new spending programmes.

Poland seeks long-term rescheduling agreement

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND WANTS to negotiate long-term rescheduling of its debts to Western commercial banks to replace the current arrangements under which each year's payments are discussed as they fall due.

Launching the proposal in his budget speech to the Sejm (Parliament) yesterday, Mr Janusz Obodowski, Deputy Prime Minister in charge of the economy, said: "We are awaiting a realistic approach from our creditors."

Early reactions yesterday indicated that Western banks may respond favourably to the idea, which so far has been discussed only informally.

One London banker said he and his colleagues had hoped that long-term arrangements would not be necessary.

"I think, however, that banks would now look favourably at the idea. A medium-term solution would make sense."

Polish officials are expected to suggest a three-year debt rescheduling package at talks arranged for next month on payments due in 1983.

Western sanctions imposed after the military takeover last December included *suspension of negotiations* on Poland's debts to Western governments. Warsaw responded by suspending repayments.

The total Polish debt to the West is estimated at around $25bn, with some $10bn of this owed to governments.

Mr Obodowski told parliament that Poland needs to raise $800m worth of new credits in 1983 and hopes to repay $1.9bn of next year's obligations.

According to Mr Zbigniew Karcz, one of Poland's chief debt negotiators, *the country will need about* $3bn of new credits in the new year.

Mr Karcz told the Financial Times Poland managed to raise $1.4bn in new credits this year mainly for purchases of grain in Canada and France. This compares with $4.9bn raised in 1981.

Mr Obodowski also announced plans for a 18 per cent rise in national income in the next three year. National income is the approximate equivalent of gross national product, excluding services.

He also pledged to struggle against inflation and said that next year's 151bn zloty ($1.8bn) forecast budget deficit must be eliminated by 1985.

He stressed the need to cut subsidies to industry and even raised the possibility of inefficient companies being allowed to go bankrupt. He also warned that domestic bank credits would be expensive and hard to get.

Overall hard currency imports this year were worth $4.4bn while export earnings in the West stood at $4.9bn.

The Government hopes hard currency export earnings next year will reach $5.6bn and imports $4.9bn. It is aiming for a $700m trade surplus and $300m surplus in invisible earnings.

British Airways may buy 18 smaller U.S.-built aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

BRITISH Airways, which starts to take delivery of 17 Boeing 757 twin-engined jet aircraft next month, is studying the possibility of buying up to 18 smaller jet aircraft.

It is considering the new Boeing 737-300 or the McDonnell Douglas DC-9 Super 80. Any such purchase would cost the airline more than $350m, on top of its $640m purchase of the 757s.

The need is for a smaller aircraft *than* the 220-seat 757 to fly on routes with lower traffic volumes. It would replace the existing 36 Trident 2s and Trident 3s in the fleet.

The Tridents, which have been in service since the early 1960s, are aging and are becoming increasingly unacceptable because of their noise.

From January 1,1986, when new noise rules will become effective throughout the UK and Western Europe, the Tridents will be unusable. The aim is progressively to replace them before that date.

British Airways wants a 140 to 150-seat aircraft that is readily available. The choice lies between four options.

The first is to buy the new Boeing 737-300, an improved version of the highly successful 737. It is under development for roll-out in 1984. It will have the new Franco-U.S. Snecma General Electric CFM-56 engine, giving low noise and improved fuel consumption over existing Boeing 737s.

The second option is to buy the McDonnell Douglas DC-9 Super 80 jet, which is already in service and *has proved exceptionally popular.* McDonnell Douglas has won orders for 78 of those jets this year alone.

The third option is to buy more of the existing *Boeing 737s.* BA already has 28 in service, both on its own routes and those of British Airtours, its holiday subsidiary.

The fourth option is to look for suitable aircraft on the secondhand market.

The prospective European A-320 150-seater Airbus was also considered. But that aircraft does not exist as yet – it is only a design. Although Airbus Industries has been *trying to push it hard in world markets,* there is so far no money from governments to build it. There is some doubt about when it will be launched, if at all.

The Airbus could not be in service before 1988–89 at the earliest and that is too late for British Airways.

The airline believes that is has at least a year in which to make up its *mind to secure delivery of the first* aircraft before 1986. Both the 737-300 and DC-9 Super 80 meet this criterion.

The interest in a *smaller aircraft* does not decrease BA's need for the 757. That aircraft will be used extensively on UK domestic routes and on the busiest routes between the UK and the European Continent.

London gilts lift on U.S. rate hope

By Max Wilkinson, Economics Correspondent, in London

THE LONDON market for government securities bounced forward yesterday after the Christmas *holidays in the expectation* of a further downward movement in interest rates.

Prices moved up two points after *the decision* on Tuesday by Chase Manhattan, the largest U.S. bank, to lower its prime lending rate by a half percentage point to 11 per cent.

Other banks were slow, however, to cut their prime in line with Chase.

The markets were also encouraged by the fact that yesterday and on Tuesday the U.S. Federal Reserve Board injected reserves into the banking system to counter an upward pressure on short-term interest rates which would *otherwise have been generated* by a seasonal shortage of liquidity.

In London, the note of seasonal optimism was further confirmed by the steadiness of sterling which gained two cents against the dollar since Friday to close in London at $1.6270. Most of this gain, however, reflected movements in New York on Tuesday.

In spite of the sharply increased prices for gilt-edged stock, the volume of trading was relatively moderate as might be expected in the holiday period. There was little enthusiasm for equities and the FT Industrial Ordinary index moved up only 3.5 points to 593.7.

The expectation of an easier *trend in interest rates* was reflected in a ⅛ percentage point fall in the three-month London interbank interest rate to 10¹¹⁄₁₆ per cent. *Eurodollar interest* rates were also down with the three-month rate ¼ point lower at 9⅜ per cent.

Our New York Staff writes: Other large U.S. banks are expected to join the cut to an 11 per cent prime rate once year-end distortions have been worked out of the system.

The New York bond market was very quiet yesterday, and foreign exchange business was also dull.

On the New York Stock Exchange, the Dow Jones Industrial average closed fractionally higher after see-sawing during the day, reflecting the pressures of varying year-end cross-currents. Volume was a weak 55m shares.

Stock markets, Pages 16, 17

Debt crisis at end, says new Bank head

BY ALAN FRIEDMAN AND WILLIAM HALL IN LONDON

MR Robin Leigh-Pemberton, the man designated to be the next Governor of the Bank of England, said last night that the international debt crisis was over. He also expressed his confidence that the international banking system could deal with current problems without any structural changes.

In an interview with the Financial Times Mr Leigh-Pemberton said he regarded the international banking scene as his most immediate challenge.

"I think the crisis is over, if ever there was a crisis, but it is still a *very serious situation* which will take several years to solve."

Mr Leigh-Pemberton, who is at present chairman of National West*minster Bank, said a concerted* "tripartite effort" was already underway among the world's leading central banks, commercial banks and *international financial organisations.* Although the situation was novel in the international banking fraternity, the tripartite structure was "adequate."

Mr Leigh-Pemberton said it was possible that further debt reschedulings would be necessary. He expressed the view that all the banks which had participated in initial lending to countries such as *Mexico and Argentina* should "stay there" and continue lending. To ensure this may be difficult, but the indications so far were not too disappointing. It would require a "degree of pressure" from central banks.

The Governor-designate voiced his support for a further drop in U.S. interest rates. He said this would be "of tremendous benefit across the world." Each fall in U.S. rates also alleviated the burden of debtor countries.

On the subject of British interest rates, Mr Leigh-Pemberton said: "One hopes that rates can continue to fall. As they go down one hits *against the problem of the sterling* exchange rate." He stressed, however, that this problem was a matter of judgment on a case-by-case basis.

Mr Leigh-Pemberton expanded last night on his previous statement that inflation was a greater threat to western democracies than Communism.

"The danger about inflation is that it is like a drug: it is insidious and works from within. It destroys financial standards and creates its own expectations and is therefore so much more difficult to cure. Yet if one looks at its effects over long periods of time one can see that it

Continued on Page 22

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Finnish Premier to hand in resignation

BY WILLIAM DULLFORCE IN STOCKHOLM

MR Kaveli Sorsa, Finland's Prime Minister, will submit his Government's resignation to President Mauno Koivisto today as a result of yesterday's decision by the People's Democrats' parliamentary group to vote against a FM 264m ($50m) increase in defence spending.

The People's Democrats – an alliance between the Communists and left Socialists – hold three Cabinet posts in Mr Sorsa's coalition which also includes his own Social Democrats, the Centre Party and the Swedish People's Party.

The three ministers had supported the larger defence budget in Cabinet and yesterday refused to *resign despite the revolt* by their own parliamentary members.

On previous occasions – notably when they decided to oppose the de*valuation of the Finnish Mark in* October – the People's Democrats have been allowed to remain in Government even though their parliamentarians declined to back government legislation. This time, however, Mr Sorsa has decided to be less pliant.

A new general election is due in March and their waning support in public opinion polls is probably the major reason for the People's Democrats' present intransigence.

The Communists, the dominant partner in the alliance, have been split for years with a minority Stalinist faction objecting to their participation in Government and *consistently voting against government* bills.

President Koivisto is expected to ask Mr Sorsa to carry on with the *remaining coalition partners until* the election. But in the past the Social Democrats have been reluctant to rule in harness with non-Social*ist parties, leaving the Communists* free in opposition to improve their influence in the trade unions.

OECD warns on prices, Page 2

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EUROPEAN NEWS

Hot money keeps out the cold in Ankara

BY METIN MUNIR IN ANKARA

"WE HAVE literally tons and tons of money to burn," said one of the deputy governors of Turkey's central bank. "Day after day bales of filthy banknotes are dumped at our doorstep. They come in lorries from all over the country and there is really nothing to be done except to burn them."

He was referring to what in Turkish is called "fersude" money — banknotes which have to be taken out of circulation because they are worn so thin, filthy or torn that they can no longer be used.

For a variety of reasons Turkish banknotes reach retirement age earlier than those of many other countries. The use of wallets is not widespread and most Turks keep their cash in bundles in their pockets. Furthermore, they use ready money more than any other nation in Europe. Cheques are not popular yet and credit cards are a rarity.

The fact that many people write on banknotes does not help their longevity either. From time to time one receives banknotes which, in addition to assorted graffiti, contain hastily made sums, an address or a political slogan.

In what must be one of the wildest examples of optimism, some men write down their name and telephone number in the hope that they might elicit telephone calls from women.

The problem of banknotes marked for an early grave reached its peak in 1977-80 when inflation soared and the velocity of money reached dizzying proportions.

During this period, Turkey was plunged into its worst economic depression and many factories were forced to cut production. One plant which did work at full capacity, however, as a Turkish industrialist put it with considerable bitterness, was the central bank's banknote printers. The faster it churned out the money, the faster and in greater quantities it returned to the gates of the central bank, dirty and spent.

Turks may handle money roughly but they are among the most economical people in the world. The Central Bank offered to sell the dead banknotes to Seka, the state-owned paper manufacturers. Tests showed, however, that because the notes are printed on special paper and with special chemicals, pulping them did not make economic sense.

"The fact that they were filthy beyond description did not help either," said a Seka official.

So the bank bought a large number of shredding machines, built a crematorium and forgot the problem.

Billions of Turkish lira were cremated and their ash strewn on rubbish dumps outside Ankara until, a few weeks ago, a bank employee (his name is a closely guarded secret) made the brilliant suggestion that the notes be used as fuel.

According to the newspaper Milliyet, he calculated that 2,000 notes were equivalent in fuel value to 1.7 litres of fuel oil. Why not use the money to stoke the furnace in the new block of flats the bank has bought for its senior executives in Ankara?

"We thought it was a great idea," said the deputy governor. "Instead of heating the air over Ankara, we could heat the flats."

So now the bank's 12 storey, 48-flat block in the smart Gazi Osman Pasa district of Ankara has the distinction of being the only one in the world which burns money for heat.

The only hitch, according to the deputy governor, is that because the shredding machines in the bank work only five days a week the block of flats sometimes runs out of money. On some weekends coal, instead of money, has to be burned.

Romania pressed over emigration tax

BY DAVID BUCHAN IN WASHINGTON

THE REAGAN Administration is to send a senior official to Bucharest early next year to warn President Nicolae Ceausescu that unless he drops his planned education tax on emigrants, Romania will lose preferential tariff treatment for its goods in the U.S. market in 1983.

The mission by Mr Lawrence Eagleburger, the under-secretary for political affairs who ranks third in the State Department, is expected late next month or in early February, and has been preceded by several lower-level U.S. warnings about the consequences of the tax which Mr Ceausescu announced on November 1.

The tax, expected to come into effect at the start of 1983, would require emigrants to pay the Romanian Government the hard currency equivalent of the full cost of their education, before leaving the country.

Romanian exports to the U.S. benefit from "most favoured nation" tariff treatment, but U.S. law explicitly bars tariff concessions to Communist countries which impose such emigration obstacles.

Since the Ceausescu Government has ignored previous warnings the Eagleburger mission is seen as a final effort to maintain the U.S. policy of favouring a country like Romania where foreign policy has stayed somewhat independent of the Soviet Union.

The U.S. Administration and Congress, however, have taken increasing exception to Mr Ceausescu's repressive internal policies, and Romania was warned last May that it would have to improve its human rights record if it wanted its tariff concession renewed in 1983.

U.S. officials, and some Romanians, profess themselves slightly baffled by the Ceausescu tax move. One theory is that the Romanian leader wants to manufacture a dispute with Washington, which would help his drive to win greater economic help from the Soviet Union.

Some observers note that Mr Ceausescu has already this year restricted emigration from Romania of ethnic Germans, in retaliation to the cessation of West German export credits because of Romania's financial problems.

They believe that the new emigration tax may be a ploy to try to lever more economic aid out of the U.S.

Romania recorded a $57m surplus on its trade with the U.S. last year and a surplus of $13m in the first half of this year. The loss of its tariff status may reverse this trend.

OECD warns of Finnish prices surge

BY DAVID HOUSEGO IN PARIS

FINLAND'S Prime Minister, Mr Kalevi Sorsa, will submit his government's resignation to President Mauno Koivisto today following yesterday's decision by the People's Democrats parliamentary group to vote against a FM 264m (£30m) increase in defence spending.

The People's Democrats, an alliance between the Communists and Socialists, hold three cabinet posts in Mr Sorsa's coalition, which also includes his own Social Democrats, the Centre Party and the Swedish People's Party.

The three ministers had supported the larger defence budget in cabinet and yesterday refused to resign despite the revolt by their own parliamentary members.

On previous occasions—notably when they decided to oppose the devaluation of the Finnish mark in October—the People's Democrats have been allowed to remain in government even though their MPs declined to back government legislation.

A general election is due in March and their waning support in public opinion polls is probably the major reason for the People's Democrats' intransigence.

The relatively small increase in defence spending was intended to alleviate unemployment by allowing orders for equipment to be placed with Finnish companies.

The Communists, the dominant partner in the alliance, have been split for years with a minority, Stalinist faction objecting to their participation in government and consistently voting against government Bills.

President Koivisto is expected to ask Mr Sorsa to carry on with the remaining coalition partners until the election. But, in the past, the Social Democrats have been reluctant to rule in harness with non-Socialist parties, leaving the Comunists free in opposition to improve their influence in the trade unions.

'Hive-off' ruling in French state sector

By David White in Paris

POTENTIAL LEGAL difficulties in transferring interests of France's large nationalised sector back into private hands have been underlined in recent findings by the Council of State, the official advisory body on legislation.

The Council, which was reporting on an attempted move in the aircraft components industry under the Giscard d'Estaing administration, firmly backed the principle that any hiving off of state interests required the assent of Parliament.

It based its conclusion on Article 34 of the 1958 Constitution which gives Parliament powers over "the nationalisation of enterprises and the transfer of property of the public sector to the private sector."

Questions were realsed by the Council over this last year, when the Socialist administration was preparing its Bill to nationalise banks and major industrial groups.

M Pierre Mauroy, the Prime Minister, made clear in his original programme that the Government intended to hive off the important industrial shareholdings of the Suez and Paribas banking groups after nationalisation.

A clause in the first draft of the Bill provided for these groups' holdings in companies outside the banking and insurance fields and not linked to public sector interests to be offered for sale.

This clause was eventually dropped at committee stage in order to shorten an already lengthy debate on the nationalisation programme. But the Government reiterated its intention to hand these interests back to the private sector.

The Council, which has a purely consultative role, has focused again on the legal problems of de-nationalisation by finding that the previous Government acted unconstitutionally by placing a state sector company under private control.

This involved a merger of two aircraft components companies—Sfena, controlled by state interests, and Crouzet, controlled by private interests. The result of the operation, which included an injection of new capital into Sfena, was that the state ceded its majority in the company.

The move was opposed by Sfena staff, and was superseded this year by a fresh reorganisation in which the state-owned Aérospatiale emerged with control of Sfena and a large shareholding in Crouzet.

The Council's finding therefore has no direct impact. But it makes the Government's task no easier in fulfilling its pledge to avoid "creeping" nationalisation.

Any move to de-nationalise through legislation would risk meeting opposition from some sectors of the Left's majority in the National Assembly.

Romania devalues

Romania yesterday devalued its currency against the U.S. dollar by 11.4 percentage points on the tourist rate of exchange. The new rate is Lei 12.50 to the dollar. The rate for other Western currencies and the Yugoslav dinar will be adjusted accordingly, AP reports from Bucharest.

Mobil finds oil off Dutch coast

By Richard Johns

THE NETHERLANDS' hopes of reducing significantly its dependence on imported oil were increased yesterday as Mobil announced a successful strike in its off-shore waters.

A healthy flow rate of 1,500 barrels a day of light 40 degree API gravity oil was reported from a reservoir drilled at a depth of almost 1,900 metres in block P/8 about 40 miles west of the port of Imeden.

The reservoir is almost certainly part of the same structure discovered by Amoco in the neighbouring P/9 block which is to be exploited.

A Mobil spokesman in The Hague acknowledged yesterday that a joint development programme was likely, but added that further exploration wells would have to be drilled.

Amoco apart, Union, Conoco and the Shell-Esso partnership have already gone ahead with the production of discoveries made on the Dutch continental shelf. Though small so far in comparison with the bigger British and Norwegian ones, they have been at relatively shallow depth and near to the coast.

Board of Yugoslav airline resigns

The chairman and board of JAT, the Yugoslav national airline, have resigned at the end of one of the most difficult years in the company's history, writes Aleksander Lebl in Belgrade. JAT, which has been criticised for being over-staffed and poorly manager, is expected to lose at least 500m dinars (£5m) this year.

Mr Anton Polainar, chairman of the Federal Prices Agency, has also resigned. He said he was unable to stand the mental and physical strain of a job which involves approving all price rises, even the most trivial.

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Denmark expected to stand by rejection of EEC fishing offer

BY HILARY BARNES IN COPENHAGEN

DENMARK'S ALL-PARTY committee on European Community affairs is expected to stick to its rejection of the EEC's proposed Common Fisheries Policy (CFP) at a crucial meeting today only hours before the Community's offer to Denmark expires.

The committee's majority, consisting of the anti-tax Progress Party, the Social Democrats and two small socialist parties, is out of step with the minority Government, which has recommended acceptance of the improved offer.

There are no signs that opposition to the CFP is weakening, and Mr Henning Grove, the Fisheries Minister, has failed to persuade fishing organisations that Denmark has more to gain by accepting the policy than by holding out for further negotiation.

The fisheries bodies believe that if Denmark rejects the proposals, the country will be able to extract better terms within a few months. Mr Laurids Toernaes, chairman of the fishermen's association and a Liberal member of Parliament, predicts that negotiations will be resumed in the spring.

Mr Karl Hjortnaes, a former fisheries minister and spokesman on the subject for the Social Democrats, has said that his party is not willing to agree to the EEC proposals as long as the fisheries organisations find them totally unacceptable.

Mr Grove briefed the EEC affairs committee yesterday on the arrangements for fishing in Community waters which will be implemented by the Commission if the Danes continue to oppose the CFP. They will be based on proposals made by the Commission last June and are considerably less advantageous to Denmark than the offer made just before Christmas.

"Nineteen-eighty-three is going to be a difficult year for our fisheries," said Mr Grove yesterday. "There will be no mackerel quota from January 1 and Denmark will only be permitted to catch 44,400 tonnes of cod, compared with about 60,000 tonnes in 1981 and 1982."

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Brussels counts cost of playing host to European Community

BY GILES MERRITT IN BRUSSELS

BRUSSELS HAS been totting up the debits and credits of playing host to the EEC, in a study reminiscent of Mr Micawber's advice to David Copperfield on financial husbandry.

The result is neither happiness nor misery but, predictably enough, confusing. Lost tax revenues (Eurocrats have special status) are estimated at BFr 3.5bn (£45m). Additional spending (due to Eurocrats' wealth and increasing numbers) is put at BFr 5bn (£65m). From office rents to restaurants, from local tax receipts to EEC visitors' bed-nights in hotels, the report juggles with a bewildering array of pros and cons.

The Euro circus that revolves around the European Commission's Berleymont building, those housing the EEC Council of Ministers and the European Parliament is sizeable and growing. There are 9,600 Eurocrats, of whom about a quarter are Belgian, and getting on for 2,000 attendant diplomats. Lumped with these foreign bodies who, Belgians complain, mix little if at all with the Bruxellois, are the 345 foreign correspondents accredited to the EEC.

These aliens may live in a world of their own—congregating in suburban ghettoes and sending their children to special "European" schools—but at least they spend an average three-quarters of their incomes in Belgian francs on Belgian goods.

In meticulous detail, the analysts of the Brussels-based Centre d'Etudes et de Recherches Urbaines have reckoned up the aliens' housing costs at some BFr 1bn (£13m) a year, their food bills at BFr 835m (£10.8m) their lavish spending in restaurants and bars at BFr 850m and their purchases of consumer goods such as furniture at BFr 530m (£6.8m). On the debit side, the report somewhat ungraciously suggests that all this conspicuous consumption has fueled inflation.

The study might seem to some Eurocrats a rather grudging way of celebrating the tenth anniversary of the EEC's transformation from the Six into the Nine. Ten years ago, before crisis had engulfed their own economy, few Belgians would have dreamt of looking the EEC gift-horse in the mouth. But at least their inspection has produced a few interesting insights into the workings of the Commission itself.

Long-winded Eurocrats, it seems, spent a small fortune amounting to BFr 225m (£2.9m) a year on telephone calls and a further BFr 160m (£2m) on "office equipment."

AMERICAN NEWS

U.S. rates chance of 1983 accord in Start talks as fair

BY ANATOLE KALETSKY IN WASHINGTON

THERE IS a 50-50 chance of reaching a nuclear weapons agreement with the Soviet Union at the strategic arms reduction talks (Start) by the end of 1983, General Edward Rowny, the chief U.S. Start negotiator, said yesterday.

The Start negotiations have been progressing more rapidly than the strategic arms limitation talks (Salt) in the mid-1970s and most of the preliminary problems have now been cleared away, Gen Rowny said in a television interview.

The process of "getting rid of the underbrush" of preliminary issues has taken only six months in the current negotiations in Geneva, compared with two years in the Salt talks, according to Gen Rowny, who represented the U.S. Joint Chiefs of Staff at Salt between 1973 and 1979.

He noted, however that the new Soviet leadership was negotiating with "a great deal more sophistication and more cleverness" than the Brezhnev Government.

The separate talks on medium-range nuclear weapons, also in Geneva, are making less progress, according to other U.S. officials.

On Tuesday President Ronald Reagan again dismissed Mr Andropov's proposal for cutting Soviet missiles in Europe in exchange for non-deployment of U.S. Pershing and Cruise missiles.

Officials say Mr Andropov has yet to respond seriously to President Reagan's "zero option," which would require both the Soviet Union and the U.S. to forego all medium-range missiles in Europe.

"The Soviet Union has met us half way on the zero option—they have proposed zero on our part," Mr Reagan joked at a Press conference held on Tuesday to mark the recommissioning of the battleship New Jersey.

Rise in Mexican oil exports forecast

PEMEX, Mexico's state petroleum monopoly, estimates that oil exports in 1983 will reach $16.9bn (£10.6bn) compared with $14bn this year, AP-DJ reports from Mexico City.

Sr Mario Ramon Beteta, Pemex director, made the prediction earlier this week when he announced Mexico would maintain its oil prices for the time being.

The government company has not revealed its marketing plan for next year.

This year the Government set an export ceiling of 1.5m barrels a day but exceeded the guideline during the last three months of the year when it was pressed for dollars to pay off its huge foreign debt. Since October, exports have averaged 1.7m barrels a day.

Imported goods supply dwindles

THE weakness of the Mexican peso, combined with tough Government restrictions on imports, is reducing supplies of imported goods, AP-DJ reports from Mexico City.

Foreign-made consumer items such as television sets, audio and video recording equipment, clothing, French wines and imported luxury goods can still be found, but supplies are dwindling. Shopkeepers say most items that remain were brought in months ago, before the latest devaluations of the peso and before a Government clampdown on imports.

At 150 pesos to the dollar, it takes almost six times as many pesos as a year ago to buy a particular dollar-priced import.

Stores that stocked foreign-produced goods are gradually substituting Mexican-made products.

Washington seeks military facilities in Portugal

LISBON—The U.S. has asked for military facilities in mainland Portugal for the first time in exchange for increased U.S. help in rearming the country's military forces, Portuguese officials said yesterday.

The officials, who asked not to be named, said the U.S. had asked to build a satellite-tracking station and also wanted access to a number of air bases on the mainland.

At present, the U.S. only has use of the strategic Lajes air base in Portugal's mid-Atlantic Azores Islands.

The U.S. and Portugal earlier this month began formal negotiations in Lisbon on renewing the Lajes agreement, which expires on February 4.

U.S. Embassy officials said the U.S. was seeking a "broader security relationship" with Portugal. They said the U.S. delegation at the Lajes talks had made a number of proposals for access to additional facilities, but they declined to give details.

Portuguese officials said the U.S. had asked for a missile-tracking station in mainland Portugal and wanted to station tanker-planes at a number of mainland airports and build additional fuel stores at Lajes to help transport the new U.S. rapid deployment force.

There was no question, however, of the U.S. wanting to store nuclear warheads in Portugal and Washington had not asked to station fighter planes or medium-range bombers at any mainland base, they added. Reuter

Revolver and night stick at the ready, a Miami police officer stands guard as firemen extinguish a car set alight by rioters. Hundreds of black residents of the city's Overtown district, angered after police shot and critically injured a black suspect in a local video games arcade, besieged the building on Tuesday night throwing stones, bottles and firebombs.

A looter was killed by a gunshot wound to the chest and at least four others were wounded in the shoot-out which ensued. Two passing motorists were also injured when stones crashed through their windscreens, Reuter and AP report.

Six vehicles were set on fire and other scattered blazes were started in the area. As many as 200 police were drafted in, including three special weapons teams in combat gear, to free the two officers trapped inside. A total of 29 were arrested.

Mr Howard Grey, Miami chief executive yesterday pledged a full inquiry into the incident, at the same time praising police and community leaders for defusing what could have escalated into a full-scale repetition of the three days of violence the city underwent in May 1980.

Overtown, north of the central business district, borders on Liberty City, focal point of the earlier riots, in which 18 died.

A police cordon set up around Overtown was lifted yesterday morning and the area was quiet.

The man shot in the arcade, Mr Nevell Johnson, aged 21, was alleged to have admitted to the policemen that he had a gun. As one moved to arrest him, Johnson "moved suddenly and the officer's gun discharged," according to Mr Kenneth Harms, Miami police chief.

Falklands dead haunt the junta

Veterans of the Falklands war are demanding information on missing soldiers, sailors and pilots, Jimmy Burns in Buenos Aires reports.

IT IS many years now since the word "disappeared" was firmly fixed in the Argentine political vocabulary. "Desaparecido"—kidnapping of suspected political opponents by unidentified paramilitary groups on orders of Government and subsequent disappearance without trace.

Since the end of the Falklands war, the word "desaparecido" has taken on an added meaning. It is the explanation which has been offered by the military authorities when asked about the whereabouts of hundreds of Argentine soldiers, sailors and pilots who never returned from the Falklands and who do not feature on the official list as "killed in combat".

To say that the official explanation has not satisfied the many Argentine families who have asked about their sons is an understatement.

The majority of them believe, or at least have willed themselves into believing, their sons are alive and readily accept rumours which support that view.

The rumours, which have been given ample coverage in the local Press, range from suggestions that survivors of the cruiser General Belgrano were picked up by Soviet submarines and are now in Moscow to the "certainty" that there are numerous Argentine prisoners of war being held hostage by hte British on the Falklands.

One mass circulation magazine insisted that their voices had been intercepted during a BBC transmission from the island.

Both stories have been vehemently denied by both the Soviet and British authorities. On the Falklands, recent visits by British journalists have confirmed there are numerous Argentine dead who have not been identified since the surrender of Port Stanley.

The British have notified the military junta that they are prepared to return the Argentine dead for proper burials on the mainland.

However, for the junta to accept their repatriation by the British Government would be implicitly to deny the Malvinas are in fact Argentine soil.

Just before Christmas a compromise with the armed forces had apparently been reached with the announcement by the junta that it had asked the International Red Cross to accept responsibility for the transfer of Argentine bodies from the Falklands to, as they referred to it, mainland Argentina.

Sr Jorge V'azque, a 21-year-old former marine who was among the first to land in the Falklands in April, heads the Malvinas Veterans Centre, a growing movement which is helping to channel the bitterness and frustration felt by many of the 10,000 troops that were involved in the conflict.

The veterans suspect the reluctance shown by the military authorities over the repatriation of the "disappeared" has less to do with sovereignty than with political expediency.

Earlier this month, a military parade called by the authorities to honour the fallen ended in chaos when a relative refused to accept a medal from a senior general and hundreds of veterans staged an unprecedented sitin.

The veterans are critical of the way the military authorities surround the issue of the Falklands in pomp and circumstance and diplomatic rhetoric only to refuse all practical help for those who were directly involved. Sr Vazquez's organisation has been denied any support by the armed forces.

The veterans' views—a complex mix of pessimism, nationalism and sheer rebellion—would have an influence if and when the presidential elections take place next year when some 5m first-time voters are expected to register.

Navy warned that Danes may defy fishing limits

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE GOVERNMENT yesterday briefed the Navy and fishery protection fleets on possible attempts by Danish fishermen to defy new EEC fishing agreements which come into force on New Year's Day.

But Lord Mansfield, the Scottish Minister for Agriculture and Fisheries, said he thought a confrontation with the Danes on the high seas was unlikely.

Denmark has refused to accept a Common Fisheries policy worked out by the Community over the past few months. But, in the face of no fishing policy at all in EEC waters, the remaining nine members of the Community are about to put into force the essential parts of the Common Fisheries policy without Danish agreement.

Any confrontation with Danish fishermen is likely to come in Scottish waters, where they would normally be active. The Government is chiefly worried that some Danish skippers who feel strongly that they should have total access right up to British shores will try to make their point and flout the new regulations.

On January 1 four so-called instruments, agreed by the Nine without Denmark, come into force.

These regulations restrict the number and size of boat and type of fishing carried out in the North of Scotland box which surrounds the Shetlands, Orkney and the northern tip of Scotland.

It also makes it an offence for vessels to fish within the 12-mile limit of another member state except where there are historic rights.

Danish vessels are specifically prohibited from fishing inside the UK 12-mile limit as they have no historic rights there, according to Lord Mansfield.

The Danish vessels are also banned from fishing for western mackerel anywhere within British fishery limits.

"I want to emphasise our determination to enforce these measures. We will be vigilant and fair," Lord Mansfield told a Press conference in Edinburgh.

The Department of Agriculture and Fisheries in Scotland has six fishery protection vessels and one Piper Aztec plane to patrol Scottish waters. They can also call on the two Royal Navy vessels usually on patrol in northern waters, and RAF Nimrod reconnaissance aircraft can also be brought in to aid policing measures.

Skippers caught fishing illegally can be fined up to £50,000 and have their catch and even their fishing gear confiscated.

Confrontation with the Danes is improbable because the new EEC regulations do not apply to industrial fishing—fishing for fishmeal and fish processing plants as opposed to fishing for human consumption.

About 80 per cent of Denmark's fishing is for industrial use and this type of fishing can continue in UK waters as before.

But Denmark was anxious to gain access to fish for human consumption as well, in the North of Scotland box, a provision denied them by the other members.

British fishermen have objected to Danish fishing methods, as large numbers of fish for human consumption are aften taken along with the numerous species of smaller fish destined for industrial use.

Catches will now be more carefully monitored to ensure that no more than 10 per cent of the fish caught by the Danes for industrial use is actually fished for human consumption.

The new policy as applied to Scottish waters will be co-ordinated from a communications room at the Department of Agriculture and Fishery headquarters in western suburbs of Edinburgh, where patrols will be given their orders and possible arrests approved.

Scots fishermen in deep water

Mark Meredith looks at the problems caused by the local associations' pull-out decision

UNITY among Scottish fishermen, who account for more than half the UK's catch, has started to fall apart within sight of a common fisheries policy.

Four local West Coast and Island Fishermen's Associations have decided to leave the Scottish Fishermen's Federation, claiming the latter is not ready to pursue their case for preference to be given to local fishing fleets in their own waters.

The disputes pit the big East Coast fleets against the small inshore boats off the West Coast and Orkney. Mr Robert Allan, chief executive of the Federation, describes the decision to pull out as "a catastrophe."

About 450 of the 1,300 boats in the Federation have said that they will withdraw—just at the wrong time in the Federation's view. Their decision comes when the organisation has provided an effective lobby in bringing about the common fisheries policy, generally welcomed in Scotland. Further important obstacles require the full muscle of Scottish fishermen in talks with Government.

The Federation represents about 65 per cent of the fish landed in the UK, whereas the largest body south of the border represents only about 20 per cent.

Scotland's fishing industry, like that in the rest of the country, badly needs restructuring, with too many boats chasing too few fish. The new EEC fishing agreement calls for a programme of restructuring through modernisation, scrapping and laying up of boats—issues needing unity for negotiating where the cuts should fall.

The Federation's view and those of fishing economists and Government officials in Scotland is that the Federation is more effective acting as one body to tackle crucial problems such as distribution and price support systems that still need to be sorted out.

The fishermen's associations from the Clyde, Mallaig and North-west, Highlands and Islands, and Orkney have said that they want to pull out, though the three-month cooling off period written into Federation rules will allow time for an attempt to patch up the differences.

The local federations may now group together, though their individual claims differ considerably. They want regional management of waters in their patch—in effect, a say in, if not actual local supervision of, the proportion of fish in their local waters reserved for themselves.

However, regional fishing management, if taken to its local extreme, would see local government, in the form of district or regional councils, having a say in the amount of fish available to boats fishing there. Yet the Scottish Office has already made it clear that the Government is not about to relinquish any control over inshore water fishing.

Engineering union urges action on training

By Our Labour Staff

ENGINEERING companies took on only 8,500 apprentices in 1982, against an agreed need for 25,000, according to a pamphlet published today by the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers (Tass).

The pamphlet, Tass on Training, says: "If no action is taken on skill shortages any upturn will be throttled by major bottlenecks throughout engineering. The Government's vaunted Youth Training Scheme will do nothing to provide the technologists and technicians we shall need in the decades to come."

The union concludes that "Britain's training inferiority lies not with the way we do it but with the lack of funds we allocate to training." It calls on the "next government to re-establish and strengthen the Industrial Training Boards created by Harold Macmillan but decimated by Margaret Thatcher," and urges a massive increase in "real training" expenditure by the state.

The pamphlet calls for "positive actions" to procure more training and re-training of women for higher paid engineering jobs.

Unemployment likely to rise in New Year

UNEMPLOYMENT is likely to increase in the New Year, according to a survey of 1,264 employers published today by Manpower, the temporary services company.

Although the rate of job losses is slowing down, nearly one in five employers forecasts job cuts in the first quarter of 1983.

TUC reports uphill struggle for further cuts in working hours

BY PHILIP BASSETT, LABOUR CORRESPONDENT

The TUC said yesterday that, while almost all workers have had cuts in their working hours since the start of the TUC's campaign to reduce working time in 1979, progress towards further reductions is proving difficult.

In a report on its campaign for a 35-hour working week, six weeks' annual holiday and the option of early retirement on adequate pensions, the TUC said workers in areas badly hit by the recession and areas of low pay had not had their hours cut.

About 6.5m manual workers, some two-thirds of the total, have achieved reductions in their basic weekly hours to below 40, but the TUC said few had had their hours cut below this level.

Congress House officials said there was little sign that hours reductions had been tailored explicitly either to create jobs or to avoid redundancies.

The review also noted "mixed views among unions on the extent to which progress will continue to be made" on the issue. It said ruefully that claims for reduced working time were now submitted "almost as a matter of course," but with differing results.

One TUC-affiliated union has told the TUC that where basic weekly hours are cut, expectations of further cuts are diminished. However, the review noted a number of settlements had cut hours for the second or third time, including agreements in the electricity supply, plumbing, drugs and fine chemicals industries, and at Reed Decorative Products, Shulton GB and Colman's of Norwich.

The report said: "A number of unions suggest that the rate at which reductions in the working week are being made is slowing down." Accordingly, the TUC is turning more to a legislative solution under a future Labour Government, while still stressing the need to emphasise certain areas for action, such as the low-paid.

The TUC has consulted its affiliated unions on the issue, and the review said the majority favoured a legislative initiative to back up efforts to cut hours through collective bargaining. Some unions, however, were still opposed to legislation and support was limited in others.

Accordingly, the TUC General Council has taken no decision in principle but will discuss the issue over the next few months in the TUC-Labour Party liaison committee.

The two main areas for possible legislation seem to be the form of legally enforceable limits which could be applied to working time and the use of state financial incentives to subsidise labour recruitment which is coupled with reduced hours for other employees.

Test case for London weighting

BY DAVID GOODHART, LABOUR STAFF

THE RESULTS of a Post Office Arbitration Tribunal—expected next week—will be a vital test case for the future of London weighting, according to the British Telecom unions.

The unions believe that the arbitration's findings — which apply to 75,000 BT employees — will be taken as a benchmark for future awards following the Government's decision to stop publishing Department of Employment London weighting figures on the extra cost of working in the capital.

The unions are claiming a weighting rise of £1,418 for inner London and £682 for outer London, while BT are offering £1,297 for inner and £645 for outer. The union claim for inner London is slightly above the Department of Employment figure of 16.7 per cent for 1982.

BT has seldom paid the full figure but union officials claim that it has always had a direct influence on the award. Officials now fear that following the lead given by the Government in abolishing the indices, BT and other major employers will pay only the minimum necessary to recruit staff.

Mr Tony Clarke, deputy general secretary of the Union of Communication Workers, said: "BT has taken the department's indices as an important reference in recent years but it was clear from the tribunal hearing that they now want to pay a far lower figure—even for the 1982 award."

BT is also pressing to include London weighting in the annual pay bargaining but unions have been resisting this.

The Department of Employment has been publishing its LW indices every year since 1975. When Mr Norman Tebbit, Secretary of State for Employment, announced the decision to end publication, he said: "In the Government's view the indices encourage negotiators to place too much emphasis on the need to compensate employees for the additional costs of working in London and too little on the need to set rates of pay which the employer can afford and which are sufficient to recruit and retain employees."

Lucas and staff agree on data secrecy

By John Lloyd

AN AGREEMENT protecting personal information, and allowing access to it, has been signed between Lucas and its white-collar unions. It is thought by the unions to be the first of its kind in the UK.

The agreement between Lucas and the white-collar unions Apex and ACTSS, a section of the Transport and General Workers' Union, brings the company into line with data protection provisions which its foreign subsidiaries, especially in Europe, must observe.

Mr Simon O'Leary, an Apex convenor at Lucas, said that the company feared its data banks in the UK would be "blacked" by other countries if the agreement was not introduced.

Among its main clauses, the agreement specifies that all data must be used for management purposes and not be released to outside bodies, such as government agencies, without employees' knowledge.

It also allows for reasonable access to data by employees, codes of practice to be used in handling employees' data, and prior agreement on any changes in procedure.

Lucas said the agreement introduced the kind of changes any progressive management would wish to see in the light of probable legislation on data protection.

The Council of Europe has recommended Community-wide legislation on the issue.

Similar changes were recommended by the Lindop report on data protection three years ago, which referred to the possibility of "blacking" of UK data by foreign governments and unions. The UK Government has so far not proposed any major changes.

Attack on planned private sector role in renewal of inner cities

Local groups have hit out at a scheme for the docklands area. Stephen Marks reports

PRIVATE SECTOR involvement in planning inner city renewal, as favoured by Mr Michael Heseltine, Secretary of State for the Environment, is attacked in a report published this week by community organisations in Newham.

The target of the report, prepared by a consortium of local voluntary and statutory groups concerned with employment, is a plan for the South Canning Town area of docklands drawn up by the U.S. City Venture Corporation at the invitation of the London Docklands Development Corporation.

City Venture, which describes itself as "a consortium of 13 commercial, industrial and church organisations with a long-term goal of assisting in economic self-sufficiency of communities," was set up in 1978 by Control Data Corporation, the Minneapolis-based computer hardware and software company, which owns 35 per cent of the stock.

Central to the report is the claim that the City Venture proposals, submitted in June, are "little more than a thinly-disguised sales pitch for Control Data products and services." The package of proposals, it claims, is identical to that already implemented in at least 10 U.S. cities where "they are singularly unsuccessful in creating jobs."

Control Data, City Venture and the LDDC are all delaying comment on the report until after the LDDC's next board meeting in mid-January. But when similar criticisms were levelled at City Venture in October 1981 by the Minneapolis Star, which itself holds 17.5 per cent of City Venture's stock, they were dismissed by Mr William Norris, chairman of Control Data and of City Venture, as "primarily a colossally stupid array of half-truths, misrepresentations and erroneous inferences."

The three main City Venture proposals are for a Business Technology Centre (BTC); a seed capital fund for new businesses; and comprehensive job-readiness training, career-awareness training, academic education and technical training, all based on Control Data's Plato computer system, already being used by the Manpower Services Commission in Coventry.

The Business and Technology Centre would offer manufacturing and office space, leased to small businesses, with each unit "linked to centrally-shared facilities offering a complete range of computer-based technology."

However, the Newham Employment Consortium questions the need for such premises which, it claims, "are indeed available through much of Newham, and the take-up has been slow."

There is also a Greater London Council technology centre in Whitechapel. While none of these offer a range of on-site computer services, the consortium argues that these are readily available from local computer bureaux offering a range of microcomputer services.

City Venture's discussion draft does not specify what hardware the centre would require. But it makes clear that Control Data would play a key role in the design of programmes and choice of equipment. The draft also refers to financial and business advice services being made available by Control Data Business Advice and Control Data Credit Services.

The Newham consortium report claims that BTCs have been a central feature of all City Venture's renewal projects in the U.S., and that they "have been based exclusively on systems and programmes supplied by Control Data and its subsidiaries. The BTCs reflect neither the whole range of goods and services on the market nor a selection based on proven user criteria."

Control Data systems are "based on access by telephone lines to remote and massive mainframe computers . . . best suited to very large corporate businesses or to university applications . . . unnecessarily complex, prone to technical malfunction, and several times more expensive than the far more adaptable microcomputers used in other technology centres," it claims.

The draft also shows no signs of any evaluation of the impact of the adjacent Isle of Dogs Enterprise Zone on the ability of the BTC and other measures to attract new businesses to facilities developed in the Canning Town project area.

Similar criticisms are directed at the Plato programme, adopted by the Manpower Services Commission for a £1m pilot scheme in Coventry. Over 50 terminals have been installed in schools and colleges, linked to Control Data's mainframe computer at Enfield.

The report quotes articles in the computing Press and research by community groups in Coventry to support its contention that the project is up to eight times more expensive than a similar one using British-made micro-computers would be.

The Plato system is also criticised as outdated, inflexible and based on U.S. experience, necessitating costly alterations in such areas as literacy programmes and health and safety at work. But the report concedes that Plato is "a powerful and sophisticated system, the result of 18 years research and development," and is "unique."

City Venture estimates that its proposals could be instrumental in providing 1,100 new jobs in Canning Town—a third of the area's jobless total. But the Newham consortium claims that in each of its 10 U.S. projects, City Venture "has fallen short of anticipated job targets." In Minneapolis and Miami, programmes have been scrapped because of failure to meet job targets and breakdown of relations with community organisations.

The consortium also quotes U.S. press sources which indicate that what jobs have materialised have been unduly costly to create.

No comment on the report has come from Worldtech Ventures, a UK-based company set up in April this year by Control Data. Other shareholders include BSC (Industry)—the British Steel Corporation's job creation subsidiary—the Co-operative Bank, Pilkington Brothers and Sun Life Assurance.

Inquiries are referred to the Minneapolis offices of City Venture, which share the same address as Control Data.

In his reply to last year's criticisms in the Minneapolis Star, Mr Norris said: "By design the stockholders in City Venture provide some of the important resources for City Venture's projects, and that is an important attraction to cities that select City Venture."

MANAGEMENT : Marketing

EDITED BY CHRISTOPHER LORENZ

Putting your trust in the middle man

Rosemary Burr describes the individual marketing approach of a financial services company

THE comforting thud of brown envelopes stuffed with pound notes is no longer a regular Monday morning sound at unit trust offices. In the early 1970s unit trust groups advertised their funds in the weekend papers and the money just rolled in.

Now the whole savings scene is much more competitive and there is an increasing number of unit trust groups vying to sell their wares. Their problem is how to project an image of having the best fund manager in a field where there is limited scope for product differentiation and advertising is strictly regulated.

Henderson Unit Trust Management, a relative newcomer to the industry, decided the best approach was to sell itself to the financial intermediaries who in turn advise clients about which products to buy. This year around 90 per cent of its sales were generated from such advisers, probably the highest figure in the industry.

The group has grown at a brisk pace since October 1974 when it acquired £16m unit trust assets from ailing banking group J. H. Vavasseur. Last year it had advanced to the number six slot with a market share of 4.6 per cent and funds under management of £264m.

Peter Pearson Lund: "We set out to bring unit trusts into the forefront of advisers' minds"

The idea behind unit trusts is very simple. They provide a way for a large number of investors to pool their money in order to obtain a spread of shareholdings. The individual buys units in a trust. Individual holdings are priced according to the unit trust's net asset value rather than by the supply and demand for a company's shares.

Compared with investment trusts, which are quoted companies that run investment portfolios, unit trust managers have greater scope for marketing their product. Unlike quoted companies they can advertise, sell their units direct to the public and guarantee investors that they will be able to sell their units at a price reflecting the underlying portfolio of the trust.

As Peter Pearson Lund, Henderson's marketing director explains: "We set out to bring unit trusts into the forefront of advisers' minds." The group detected what it calls an information gap; financial advisers were contacted on an infrequent basis by letter. "There was an enormous communication gap which it did not take a genius to spot," says Pearson Lund.

So Henderson drew up a list of individuals, stockbrokers and insurance brokers who were involved in advising private clients. The names are updated regularly with the addition of new intermediaries even if these people have not done any unit trust business in the past.

Category

These are then contacted by one of the group's sales staff to find out just how much information they would like. Advisers are divided into three categories according to their requirements rather than the amount of sales they generate.

Those in the first category get regular calls about shares about twice a week depending upon the markets' activity. The second group will probably be telephoned once a month. The third bunch just receives Henderson's literature and quarterly tapes.

All advisers are invited to seminars held by the group's fund managers and get a monthly investment newsletter, a quarterly fact folder giving up-to-date information on the trusts, a quarterly cassette on the markets and advance information on new products.

The group has five sales consultants operating from London. Two people look after stockbrokers, one concentrates on the West End of London, another on the City and the fourth's beat is the South East.

There are three regional offices, each staffed by a salesman and personal assistant who are trained to respond to queries. A Birmingham office is intended to be added to those in Manchester, Glasgow and Bristol.

The group is keen to get the wonders of modern technology working on its behalf. It has already started putting its London investment seminars on to cassette for regional distribution and a video of its Hong Kong investment team in action will shortly be made.

The concentration on servicing the needs of financial advisers has inevitably shaped the company's products. It has produced an extensive range of specialist trusts and insurance linked products as this satisfies the demands of brokers.

The intermediaries appear to enjoy the cossetting they receive from Henderson. Robin Boyle, a partner in stockbrokers Capel-Cure Myers, reports: "The group phones up regularly. The seminars are pretty impressive and much more sophisticated than some rivals, who give the impression their seminars were stuck together in five minutes."

Richard Cockcroft, managing director of Towry Law, which claims to be the largest independent specialist in personal financial planning and channels about £5m each year into unit trusts agreed with this sentiment. "First the group has got to have a good track record Henderson has a very good record. Then the company which provides the best service and information wins hands down," he says. Cockcroft thinks Henderson leads the field at present but other groups are catching up.

Within the industry Henderson's marketing techniques have many fans and a handful of detractors. Save and Prosper, the industry's giant which has seen its market share whittled down from 21.6 per cent in 1977 to just over 15 per cent, thinks there is some merit in Henderson's approach.

Tony Doggart, S&P's sales director, says: "We inevitably lost out to new competitors. A great chunk of new money goes into newly-launched funds. Henderson has been very good at introducing the people who run the funds to the brokers. It's part of the reason for its success."

Volunteers

However, M&G, the perennial bridesmaid of the sector, takes a relaxed view of the growth of newcomers such as Henderson. M&G is the oldest unit trust group and derives more than 20 per cent of its business from sources other than intermediaries.

Deputy chairman at M&G, John Fairbairn, says: "We have built up a solid caucus of customers. We want our unit holders to be volunteers, not conscripts." The amount of advertising the group does depends on the state of the markets and quite a lot is aimed at creating an interest in equities," he continues.

Despite much praise, there are a few chinks in Henderson's armour. Boyle says: "If you are trying to plan a portfolio, you open the FT and see Henderson has 14 UK funds. Which one do you choose? At M&G there is a guy who will help you."

Pearson Lund admits that if someone inquired about which UK fund to choose a general discussion about the merits of each trust would develop. However, Henderson seems to be aware that by tailoring its range to suit the intermediaries it has partly lost sight of the small investor.

So the group has now produced two packages of funds, one for those seeking income and another for those wanting capital growth. The monthly income plan launched this May consists of holdings in four unit trusts and has attracted £1m. The growth portfolio of holdings in three trusts was set up this month and is currently being circulated to intermediaries.

Although most unit trust groups favour cultivating the intermediary to a greater or lesser extent, Framlington, a small but fast-growing group, has steered clear of this route. Tim Miller, a Framlington director, thinks it is unwise to depend on such a limited source for most of your business.

Framlington does not pay advisers a marketing allowance for selling its funds, and leans heavily on advertising. However, Henderson is wary about using advertising as its main marketing tool; it argues that this is an ineffective way of selling at the best time for an investor to buy, namely the bottom of a market.

While some unit trust groups fear their products will be cold-shouldered now intermediaries who sell unit trusts are required to become licensed dealers, Henderson seems unconcerned despite its dependence on the sector.

Pearson Lund expresses the hope that most of the advisers who sold Henderson units would choose to get the required licence but added that anyway brokers could go on selling the group's unit linked products. "In two or three years' time after Gower has reported there will probably be regulation of everyone who sells financial products anyway," he argues.

The phone call that provides a key to business overseas

ESTABLISHING a physical presence abroad without actually being there might sound like contortionist talk, but it is a concept that more and more international companies are buying. It is all done by telephone and is based on that tantalising facility, the transfer charge call.

Service 800 is a worldwide toll-free telephone system, now available in 50 cities, which enables clients to engage in international business with an overseas company, for the cost of a local telephone call. The subscribing company foots the overseas part of the bill. To a commercial world increasingly looking overseas for its livelihood, this technique of bringing the clients to the business rather than taking business to the client — via expensive local offices—can be very attractive.

The system is operated in agreement with local telephone authorities around the world. Subscribers are allocated local phone numbers in foreign cities where they wish to do business. Calls made to the local numbers are automatically diverted to the subscriber's main or branch office. Thus such links as London to Hong Kong, New York to Bahrain and Frankfurt to Singapore can all be made for the cost to the client of a local call. There is no delay in booking a long-distance call and the client gains immediate access to the specialist or office concerned, where matters such as sales inquiries, complaints, reservations, and so on, can be dealt with immediately.

The possibilities for marketeers, advertisers and others is immense. In the U.S., where the idea first took root as a domestic operation, toll-free dialling has proved itself an effective direct marketing tool.

Quaker Oats claimed a record 15m calls from a contest it ran last summer for its Cap'n Crunch cereal. Four hundred automatic answering machines told Cap'n Crunch eaters whether a map on their packet made them a winner of one of 5,000 bicycles.

When Campbell Soups wanted to test its new television commercials it asked viewers to call with their opinions about the ads. Procter and Gamble, which receives 300,000 letters a year from consumers in the U.S., says it attracts the same number of toll-free calls regarding its products.

In 1978, System 800, a Swiss-based private company, took its idea across Europe. Since then Britain has become the answering centre for Europe with over half the toll-free calls coming into London. This is largely because of the capital's premier financial standing and the fact that London is the European headquarters for many American-owned multinationals.

All types of business make use of System 800. Many of the existing subscribers in Europe are stockbrokers, such as Goldman Sachs, Morgan Stanley and Salomon Brothers, which have an international clientele. Other users include airlines, hotels, catalogue sellers, publishers, credit card companies and other financial institutions.

Multi-lingual

Swedish clients of the Sheraton hotel group, for instance, can dial a local number widely advertised in Stockholm. This directs them to a central booking office in London where they can reserve a hotel room in Paris. Another example is Digital Equipment Services, a computer manufacturer with two technical centres in Europe. If any of its computers breaks down, a client simply calls a local number and is connected toll-free to one of the centres where the multi-lingual staff is on call 24 hours a day seven days a week. The company claims by this means to solve 50 per cent of its problems over the phone.

The cost of subscribing to System 800, for instance, in London, would be just over £300 for installation plus just under £200 per month rental. Normal telephone charges apply —but there is no additional mark-up.

System 800 operates in most of Western Europe, North America and much of the Far East; Saudi Arabia is one of the most recent connections.

Feona McEwan

TECHNOLOGY

EDITED BY ALAN CANE

DEVELOPMENTS IN COIN-IN-THE-SLOT MACHINERY

Chips in the hot slots

BY ALAN CANE

TRY SHOVING a German mark or a counterfeit 20p piece in a slot machine equipped with David Bellis's latest innovation and it will throw it back in your face. Literally. A spring loaded carrier behind the coin slot forcibly ejects anything but the correct coin.

Mr Bellis is managing director of Coin Controls, a firm based in Oldham, Lancashire, which is an established front runner in the development and supply of coin controls, the gadgetry which validates and sorts cash ladled into slot machines of all makes and sizes. Atari, the U.S.-based manufacturer of video games, is a major user of Mr Bellis's products.

The company was turning over about £2m in 1978; this year turnover is £13,531,697 and exports, at 65.8 per cent of total sales, came to £8,698,846.

Coin Controls has its own U.S. subsidiary, Coin Controls Inc, distributing its products on the American market. Mr Frank Seninsky, an American columnist for the trade journal Play Meter waxes lyrical about a variety of Coin Controls mechanism called the over/under coin door: "I find the entire over/under doors made by Coin Controls Inc to be virtually trouble free."

The new Coin Controls device is, for the coin slot business, quite revolutionary and involved collaboration between the company, Patscentre and Ferranti.

Patscentre, the R and D arm of PA Consultants, provided the consultancy. Ferranti provided a special kind of chip—an uncommitted logic array—to make the device work and Coin Control provided the specification.

Conventionally, coin acceptance mechanisms depend on pairs of electric coils between which the coin is allowed to fall. Eddy currents generated as the coin falls slow the coin in a manner related to its metallic content in some models; in others, the changes in the characteristics of the circuit are measured directly. The problems are twofold, there is a lot of electrical noise, making exact measurement difficult (one Deutschmark and one 5p piece give the same answer) and there is a long distance between the coin slot and the coin return (tough on dwarfs and giants).

The new E16 device has only one slot—a coin is either accepted or thrown out by the sprung obturator. The measuring coils are crossed. One acts as transmitter and the other as receiver but current is generated only if a coin passes between the coils—such an arrangement gives greatly increased sensitivity.

There are also a number of electronic anti-fraud measures built in monitoring the position of the coin and the condition of the circuitry throughout the coin's journey.

Won't increased use of plastic cards obviate the need for such mechanisms? No, says Mr Bellis: "That's not the gambler's way. They might use tokens but they really like the tinkling, glinting cascade of coins."

Mr Jim Roberts of Vendops with the "Slimline 102"

Mr Jim Roberts, managing director of Vendops, the vending machine manufacturers, views the development of a plastic card based society with equanimity, even enthusiasm.

Vendops is one of the three large vending machine companies in the UK, the others being GKN/Sankey, by far the biggest, and the Danish company Wittenborg.

All the vending machine makers are suffering from the effects of the recession. Mr Roberts says that while two years ago a machine would expect to dispense 650 drinks a week on average, now it is down to only 450. Vendops expects to turn over about £7m this year.

It has, however, a high reputation for innovation in technology. It was the first company to manufacture a totally electronic vending machine; the next step was to add microprocessor controls. The first machine Vendops built with the extra flexibility given by the microprocessor used cups already charged with powdered beverage. Now its Slimline 102 combines the full microprocessor controls with the facility to mix the drink in the cup — giving an increase in quality, Mr Roberts says.

But "intelligent" electronics in the system makes possible a whole range of other options—fault detection through in-board diagnostics, simple alteration of prices, complete records of machine performance.

And it opens the possibility of machines which will accept plastic credit cards rather than cash. Mr Roberts foresees the possibility of firms issuing plastic cards to their workforce to operate vending machines on their premises — an "electronic luncheon voucher," perhaps. Some services would be gratis, others involve online deduction of cash from pay.

But Mr Roberts is cautious about when all this might happen. "I would not advise anyone to rush in yet. There are amazing developments in plastic money just around the corner, but it is far better to wait and see how it develops."

"What I would expect to see first is a machine which can handle coin or card."

Coin Controls is on 061-678 0111; Vendops on 061-958 8081.

AUTOMATION IN AEROSPACE

Rolls-Royce gets robots off the ground

BY ELAINE WILLIAMS

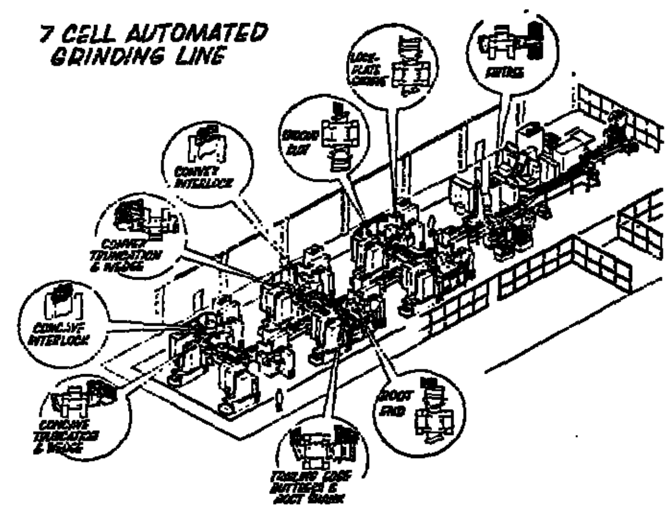


Diagram showing the machining operations automatically carried out on high-pressure turbine blades for the Rolls-Royce 535C engine which powers Boeing 757 airliners. Five machining cells are used in the case of the 535C blade; six are employed on machining RB 211-524 turbine blades. Blades are machined by creep-feed grinding. Robot handling and a conveyor system are used. The system operates under computer control and blades are automatically cleaned and inspected between machining operations

ROLLS-ROYCE is making a large investment in automating its production lines at its aerospace factory in Derby.

The first of the company's robot manufacturing systems is now working at its Derby plant. It is machining turbine blades for advanced commercial engines.

The introduction of advanced robots by Rolls-Royce stems from the company's decision to concentrate on the manufacture of high technology and high cost engine parts which are produced in relatively large quantity.

Cheaper parts

Robots will allow such parts to be produced more cheaply, with better quality control, at a faster rate, improved stock control and, with the flexibility to change designs at relatively short notice.

Rolls-Royce has identified several families of components which are ripe for automation. These include compressor and turbine blades, shafts, compressor and turbine discs.

Turbine blades are among the most expensive parts of an aero-engine as they require high precision engineering and are made from a high-temperature nickel-alloy which is extremely difficult to machine.

Such blades operate under extremely harsh conditions. The high pressure blade in an RB 211 engine, for example, is a mere four inches long but extracts 500 hp from the gas stream in which it has to function. The blades experience temperatures in the gas stream of 1,400 deg. C and have to survive a centrifugal load of six tons.

The newly-installed robot line for turbine blades comprises creep-feed machines which are divided into seven cells, one of which is a spare in case of breakdown, for working on different parts of the blades.

Each cell contains a programable robot for handling the blades, two grinding machines, automatic cleaning and inspection facilities. A central computer monitors overall production and quality control.

Altogether the blades undergo 12 separate operations before humans take over to finish the blades off. However, Rolls-Royce says that the remaining operations can, and will, be automated.

Processing

Better way to deposit materials

A SIMPLER, safer and more efficient way of depositing specialised semiconductor compounds such as indium phosphide on to substarates, the outcome of work at British Telecom Research Labs and Queen Mary College, London, is now being exploited commercially through a recently formed company called Martelsham Enterprises.

The company was formed a year ago by British Telecom in partnership with Lazard Brothers and others to exploit spin-off ideas from BT's research and to sponsor and finance commercial ventures in high technology.

Manufacturing rights to the chemicals in the UK, U.S. and Japan and world selling rights for the chemicals, process and equipment have been awarded to Thomas Swan and Company of Consett, County Durham. Already, orders have been placed by Massachusetts Institute of Technology.

Production of indium phosphide, an important optical detecting and emitting compound used in fibre optic communications systems, has so far been rather hazardous says ME, involving highly reactive metal alkalis and toxic gases such as phosphine. The new materials and processes are said to overcome most of the problems. More on 0207 505131.

Electronics

Thyristor controls

A RANGE of single phase thyristor units for controlling ac voltage or current from a single phase supply has been introduced by Eurotherm, based in Worthing, West Sussex. The company says that the model 461 allows selectable firing modes and inputs, partial load failure detection and built-in diagnostic facilities. Further data is available on 0903 68500.

Materials

Freezing water pipes

AN AEROSOL spray for freezing pipes during plumbing work is now widely available to the home handyman. Called Arctic Spray, it freezes the pipe in the immediate area forming an ice plug so that work can be carried out without having to switch off the main water supply.

The spray takes five to 10 minutes to take effect and the pipe will remain frozen for up to 45 minutes. More information is available on 0928 25368.

Computers

Services market grows

ACCORDING TO a recent study carried out by INPUT of London (01-439 8985) there are rapidly expanding opportunities for new companies in the field of servicing personal computers.

Apparently spending for the servicing of these machines is growing at about 36 per cent a year and will top $1.4bn by 1987. That compares with a growth rate of 20 per cent for spending on all other types of computer repairs and indicates a major opportunity for third party maintenance vendors.

The researchers believe that personal computer vendors are spending their money on development and promotion. Few have the resources to support a fully fledged nationwide service effort, they say. Instead, vendors are relying on third party maintenance firms.

"As the installed base grows and a larger proportion of it goes out of warranty" says INPUT analyst Graham Kemp, "opportunities for these firms will increase exponentially."

THE ARTS

Cinderella/Covent Garden

Clement Crisp

Our Christmas treat this year from the Royal Ballet is the return of *Cinderella*, balletic and pantomime traditions in merry tandem. The first performance, just before the holiday, was led by Lesley Collier and Anthony Dowell; a new cast on Boxing Day brought Wendy Ellis to hearth and ballroom, and Stephen Beagley making his princely début. The ballet is, of course, still a sure-fire seasonal delight, having all the magic and fantasy needed to keep tots and their attendants bright-eyed and bedazzled. But the balance of the work has changed in recent years since Helpmann and Ashton surrendered their roles as the Ugly Sisters.

So long as these two comic masters still flaunted and squabbled, there was such virtuosity in their exploration of decrepit sisterhood that it mattered little that the piece was much concerned with what fresh cadenzas of malice and primping they could embroider on the text. Later players, though, have hardly had the occasion to escape from the example of these madcaps. Characterisations have, in the main, been copies, dimly seen in the long shadows cast by the originals.

This year's interpreters have been dutiful, but the roles are no longer funny. It is time, in fact, that the sisters were entirely reconsidered, and re-dressed: their present outfits, like their behaviour, mistake grotesquerie for humour.

As now appears usual with the company, the first performance had something of the air of a dress rehearsal, with neither Miss Collier nor Mr Dowell at their most relaxed or most ingratiating. The season fairies missed that temperamental assurance which will fill out their brilliant variations to something more than dutiful exposition of steps and only Wendy Ellis, tearing through Autumn's pirouettes, made full sense of her solo. It remained for Monica Mason as the Fairy Godmother to show the radiance and authority that turns technique into art.

Happily, Wendy Ellis and Stephen Beagley gave the Boxing Day matinee a heart. Miss Ellis, with her tender personality, reasserted the charm of the role and of the Ashton manner. In the context of the Royal Ballet today her dancing proposes the traditional virtues of the company style: pretty, eloquent feet; lively speed and precise musicality. She brings a gentle daring and beguiling innocence to Cinderella's solos, the tone light, with little accents and tiny steps meticulously shown in what amounts to dancing of coloratura skill. Everywhere the sweetness of the character is shown without sentimentality. I thought her adorable and well matched by Stephen Beagley's handsome and technically exultant Prince, the character fleshed out with unforced elegance. A final word must go to Leslie Edwards as Cinderella's father. Across the years Mr Edwards has played this role with a dignity and a sincerity that are ever-fresh and this season it seems even truer and more admirable as a characterisation. We should be very grateful to this distinguished artist.

Julia McKenzie and the chorus in Guys and Dolls

Otello/Coliseum

David Murray

At the English National Opera, Jonathan Miller's production—new last year—of Verdi's *Othello* is back with most of its original cast. Patrick Robertson and Rosemary Vercoe's simple, handsome designs (a whiff of Habitat style isn't unpleasing) are well served by Robert Bryan's lighting, though Cypriot lightning apparently follows after thunder. There are no special tricks in Miller's staging of the action, which is as lucid and plainly effective as Andrew Porter's English text. The crowd scenes look unusually natural.

The only newcomers to the cast are Malcolm Rivers' solid Montano, Sean Rea's decent, upstanding Lodovico and the fine Cassio of Bonaventura Bottone — theatrically alert, sweetly and stylishly sung. The roles of Emilia and Roderigo are again admirably taken by Shelagh Squires and Stuart Kale. As Iago, Neil Howlett boasts malevolence of a peculiarly uncomplicated kind, all rough jocularity and melodramatic gloating.

The voice is soft-grained for the part, without much steel at the top and liable to disappear under the orchestra in the lower register (it came and went disconcertingly in the great duet with Othello); the attractive warmth of Howlett's mid-baritone range gets little dramatic play in this reading.

The accomplishment and experience of Charles Craig's Othello are considerable assets, and his dignity survived some passages of distinctly flat pitch (and threadbare tone in the "Esultate"). Rosalind Plowright's very intelligent, sympathetic Desdemona isn't quite Verdi's—who is surely an idealised creature of fantasy, utterly saintly and radiant; Miss Plowright (probably with prompting by Dr Miller) is tougher and more sensible than that. Her big moments are less the outpourings of a pure heart than brave, baffled attempts to put the best face on things.

The excellent ENO chorus and orchestra are conducted by Mark Elder with evident care and thoughtfulness. Much orchestral detail comes up newminted—and yet the essential lyrical vein is only occasionally tapped: the culminating ensemble of Act 3, for example, sounded most scrupulously prepared, but there was no surge toward the peroration, and one wasn't moved. Even in this enormously refined score, Verdi needs an instinct for expressive directness that isn't native to Mr Elder, and his other skills have to do duty for it. There is still real distinction in the performance—a sound introduction to a magnificent opera.

Alastair Muir

Charles Craig and Rosalind Plowright

The Kinks—Haircut One Hundred/Lyceum

Antony Thorncroft

To open and close Christmas amid the good-natured hordes of the Lyceum was not only pleasantly gregarious but also mildly instructive about the seamless web of popular music. Almost 20 years separates the Kinks, who played there just pre-Festival, and Haircut One Hundred who closed the celebrations almost a week later, but in musical terms the gap was minimal, except of course that the Kinks are much better musicians.

Both bands are jolly crowd-pleasers with a handful of minor pop classics of a very British bent. The Kinks might have the edge on satire through their early hits like "Well-accepted man about town," but there is not a whisker of progress between it and Haircuts' recent successes like "Fantastic Day."

The main difference was the audience. The Kinks are now rock curiosities and there were plenty of young trendies to pad out the packed reminiscences of the over-thirties. Haircut One Hundred's following was there to see pop idols, mainly Nick Hayward, the panda-eyed singer. As one hard heart commented "I've never seen so many glassy eyed 11-year-olds," and it is sadly true that Haircut did not have to work hard to get an audience reaction. In the event they went through the motions, bolstered by a horn section and apparently unworried that the screams were for their inaccessible bodies rather than for their music. They should try to build on a less fickle foundation.

No worries for Ray Davies of The Kinks. There must be some regret that the work of the last decade or so only rarely matches the sardonic early songs but looking good and enjoying the enjoyment he was a marvellous advertisement for the rock and roll life, backed up well by brother Dave on guitar who now enjoys throwing in some quite punky riffs. All told, more of a carnival than a curiosity and a hopeful omen for Haircut One Hundred but one I doubt they will survive to experience.

Double Stravinsky/Purcell Room

David Murray

Stravinsky's music for two pianists (at one piano and at two) makes a strong programme, counting in his version of *Le sacre du printemps* for piano duet, and on Tuesday Julian Thurber and Ingryd Thorson did it lively justice. They were fluent and pointed in the mild two-piano Sonata of 1944, and rollicked with a will in the jokey 5 Easy Pieces. In between came the masterly Concerto, performed with sturdy panache and a nice sense of the dynamic limits of the Purcell Room: crisp attack, plenty of power but no stridency.

So satisfying an account of the Concerto would by itself have justified the evening. The arrangement of *Le sacre* was more problematic, not because the transcription is unsuccessful (on the contrary, it is a black-and-white triumph over seemingly impossible odds) but because of an imbalance in the Thorson-Thurber team. Though they play together with absolute sympathy, it has to be admitted that Mr Thurber has a surplus of authority, especially in the cut of his phrasing, as well as a solider touch. With two pianos in play, he led naturally; in the bass part of a duet, he often left Miss Thorson sounding frail and cautious. If she can muster his impressive confidence, they will make a marvellous team.

Theatre in 1982 — 2

Good news from the provinces

B. A. Young reports on a year's theatre going and comes up with a considerable number of worthwhile visits.

Life takes on a new, not necessarily improved, interest when the West End fulcrum is removed. Fresh delights appear out of miscellaneous sources from Oldham to Southampton, Liverpool to Exeter. Fresh tedium, too, from time to time, but I'll try not to mention any of that.

Shakespeare, often hard to find in London, has been plentiful outside. *Hamlet* at the Northcott, Exeter, was certainly better than *Hamlet* at the Young Vic, even if that gave Edward Fox his shot at the Prince. *Macbeth* at Oxford, on the other hand, was less interesting than the "workshop" *Macbeth* at the Shaw. There was a lively *Henry V* at Bristol, and a *Dream* at Leeds with all the fairies played by black actors, an attractive production. I suspect I'm unreliable about the open-air productions at Ludlow, I enjoy them so much; *but I thought this year's Richard III*, Edward Woodward up, was enchanting. The Shakespeare at Stratford, Ontario, was, alas, disappointing.

I saw and enjoyed the Royal Shakespeare's *Dream* and their *All's Well* at the Barbican, and I agreed with the friendly notices written of them when they were at Stratford. But it wasn't Shakespeare I especially enjoyed from this company.

It was Dekker, Middleton and Ford's *The Witch of Edmonton*, which I'd seen in The Other Place at Stratford, and in London reconciled me to the Pit, where the air-conditioning was elusive and a bunch of people representing an imaginary paper took up some of the Press seats. This is a difficult play to do, with a serious part in it for a talking dog, and it was imaginatively and sensitively directed by Barry Kyle. This is my personal pick for Production of the Year.

I was less taken with *The Twin Rivals*, whose artificial plot shouldn't have been matched with such an artificial production; but I quite liked Lytton's *Money*, whose last line makes more sense than the last line of *King Lear*. *La Ronde* at the Aldwych was a waste of time.

Having written off London in my first sentence, I find myself stuck there. The Haymarket's run of classic plays may not always have pleased today's hypercritical critics, but they were certainly up to the standard we should have expected of the West End in earlier days. The choice of Penelope Keith for *Hobson's Choice* was intelligent and successful. Donald Sinden, when he isn't touching foolish farces with a magic that makes them tolerable, should now be in every director's mind when he thinks of Ibsen or Chekhov, and his Vanya was splendid. I was a little less keen on *Rules of the Game*; it's a play about class, and class-distinction isn't in Leonard Rossiter's bag.

I only wrote about two of the National's productions this year. *Guys and Dolls* was beautifully directed by Richard Eyre, who emphasised its quality, a musical for actors; though the songs are in a class by themselves, it takes real acting to put them over. And they had it. *Major Barbara* was admirably played, with Brewster Mason repeating his performance of ten years ago for the RSC. I also saw the interesting revival of *The Second Mrs Tanqueray*, which came to life very well indeed, and *Danton's Death*, a play always worth catching.

Guys and Dolls was my Musical of the Year. I thought *Windy City* was no more likely to be a musical than *Good-bye, Mr Chips*; both prisoners of their stories. Bristol had *A Funny Thing Happened*, which is as funny as ever. I only saw *The Night They Raided Minsky's*, which is hardly a musical, because I wanted to see the refurbished theatre at Bath, and very fine it is; *Minsky's* wasn't bad either.

Farther from the West End, *Skirmishes* at Hampstead was good, with the always reliable Frances de la Tour in the kind of depressed part she has played so often lately (but she came wonderfully out of her shell in *Uncle Vanya* at the Haymarket). It wasn't one of Hampstead's best years in my diary. I couldn't get very much out of the Polish-based *Dreyfuss*, analogy, or out of *Messiah*, a play about the false Messiah of Smyrna which seemed to me no more than a modest first draft. I couldn't help wondering if the theatre was consciously catering for Jewish audiences. As for *Miss Margarida's Way*, you had to be up in Brazilian politics for that.

Greenwich had a successful year. I didn't much like *Another Country* (the author assures me, in an amiable way, that I hadn't followed the plot); but in spite of that it became SWET's Play of the Year. They had a good production by Frank Hauser of Sartre's *Les mains sales* under the title of *The Assassin*.

I only went once to the Riverside, but *Woza Albert!*, by a touring black South African company was a total delight.

How about the festivals?

I can't help feeling Chichester's repertory wasn't well chosen. The pick of the bunch was *Valmouth*, I suppose; I didn't see it but I have the record. There was a serviceable *On the Rocks* with Keith Michell as Prime Minister. *Cavell* was an interesting piece by the actor Keith Baxter; it seemed to have a fighting Tory message, but this was only put there, I think, by the audience. To make *Good-bye, Mr Chips* into a musical and to cast John Mills as the singing star is to rely too heavily on nostalgia. And two musicals . . . ?

The official entries for the theatre at the Edinburgh Festival were disastrous. There was an appalling American company who played four Molière farces in one evening, and Wedekind's *Lulu* pair in a film studio. There was an Italian company who spoke opera libretti without the music. There were some Japanese who hung upside down motionless for long periods. I didn't bring anything much away from the Fringe, either; but one always knows it will follow one around for a year or two. (Last year's *Rents* surfaced at the Lyric, Hammersmith this season.)

I admired but did not enjoy *Diary of a Hunger Striker*; I enjoyed the one-man *Prelude to Death in Venice*; I always go to Jeremy James Taylor's splendid singing kids, who did a dashingly immoral piece about gipsies, *Bendigo Boswell*; and the Cherub company put on a curious but pleasant piece, *Landing in Guadaloupe*, which seemed to be an anti-colonialist anecdote. The Cherubs have subsequently given us a delightful filleted *Twelfth Night*.

Outstanding at the Dublin Festival was Hugh Leonard's *Kill*, a satire at the expense of the Irish government of the time and that I suppose would crumble away in any other time or place. For the rest, we mostly had the usual pictures of Dublin life, and an acid portrait of a nun educating the young. *Sister Mary Ignatius Explains It All*, which in a way is another picture of Dublin life, though written by an American and played by a company from Cork.

Nottingham Rep gave us an unusually good *Way of the World*. Oxford gave us *Women Beware Women* as if played at the Court of Duke Benito Mussolini, which didn't come off. Manchester's Royal Exchange did a first-class *Philoctetes*, with James Maxwell very good indeed. Exeter's Northcott gave us a rare production of *Bitter-Sweet*, beautifully staged and beautifully sung.

Some collectors' pieces. The Young Vic gave Byron's *Marino Faliero*, and I hope the collectors came. At the Almeida in Islington, an offshoot of Peter Brook's Paris company gave the peripatetic critics a chance to write about the Bouffes du Nord. A cosy new place at Sonning-on-Thames did a delightful mock-Holmes mystery with dinner included in the ticket price. Oldham Coliseum played a musical about the Police. Elizabeth Taylor played in *The Little Foxes*, some of the time in a bath-chair. The Half Moon played a farce about the Police.

More importantly, the Lyric, Hammersmith showed *Talley's Folly*, a good piece by the American Lanford Wilson, neglected in this country. At the Nuffield in Southampton there was an interesting new play by Mike Stott, *Dead Men*, about the private lives of revolutionaries. And in St. Pancras Church, the National Youth Theatre gave Eliot's *Murder in the Cathedral*, which I thought the best thing they have ever done, and a good deal better than a lot of things other people have ever done.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

December 24–30

Exhibitions

ITALY

Rome, Campidoglio: Art Treasures from the Kremlin. Ends Jan 1.

Rome, Campidoglio: An exhibition of 12 paintings and six drawings by Andy Warhol inspired by de Chirico. Ends Jan 31.

Rome, Museo del Risorgimento, Piazza Venezia: Garibaldi: Art and history. Ends Dec 31.

Florence, Palazzo Pitti: 'One hundred works from Dresden Picture Gallery'. Ends March 4

Rome, Accademia di Francia: 'Mediterranean Picasso,' a collection of about 100 works inspired by Mediterranean life. Ends Feb 13.

PARIS

Jean-Baptiste Oudry (1686–1755). The Grand Palais is presenting a retrospective of an artist too long considered only as painter of royal hunting scenes and portraitist of the king's dogs. It shows the surprising variety of his landscapes, the mastery of his drawings and the originality of his designs for Gobelin tapestries. Grand Palais. Ends Jan 3, closed Tue (261 5410).

Ireland's Art Treasures: Dublin's National Museum has loaned 91 of its most precious possessions from a sculptured stone dating from 3000 B.C. to the Ardagh Calice, the Tara Brooch and Brian Boru's harp testifying to the originality and exquisite workmanship of Irish art through the ages. Grand Palais. Closed Tue. Ends Jan 17.

From Carthage to Kairouan, 2,000 years of art and history in Tunis. Magnificent mosaics and a vast model of the Kairouan Mosque retrace the succeeding Phoenician, Roman and Islamic influences on art in Tunisia. Petit Palais. Closed Mon. Ends Feb 27.

Fantin-Latour (1836–1904). 150 paintings, pastels, drawings and lithographs bring home some unsuspected facets of his art. Best known for his rather sombre collective portraits of the intellectual elite of his time, his poetic flower compositions charm with luminosity and colours. Fascinated by music, his illustrations of Wagner and Berlioz are his escape into the world of dreams and phantasy. Grand Palais. Closed Tue. ends Feb 7. (260 3926)

"Le Festin et l'Art". Crystal glass cut, engraved, enamelled vies with the gold and flowers painted on the finest porcelain in recreating the festive atmosphere of receptions at the court of the Habsburgs, Louis-Philippe or Czar Nicholas II. There is also a group of goblets and bowls of rare 17th century German goldsmith work lent, among other exhibits, by the Viennese Museum of Applied Arts. The Louvre des Antiquaires, 2 Place Palais Royal, open Tue to Sun. Ends Jan 16. (297 2700)

LONDON

National Portrait Gallery: The Imperial Tobacco Portrait Award is one of the most imaginative examples of sponsorship of the visual arts in recent years. The prize is £8,000, with a further £1,000 for a commissioned portrait from the winner, for a recent portrait by any painter under 40. This year the winner is Humphrey Ocean, a sometime defector to pop music, specifically to Ian Dury and the Blockheads, but always an artist. His winning painting, and those of another 51 finalists make up the exhibition. Ends Jan 23.

Walker Art Gallery, Liverpool: John Moores 13 – Britain's first and most important Open Exhibition, which regularly attracts a strong entry from amongst our best contemporary painters. The prizes are generous enough: £8,000, £3,000, £2,000 and ten at £250, but the prestige lies in the selection itself. This year's exhibition is full of strong unconventional painting, both figurative and abstract, with John Hoyland victor ludorum. Ends Feb 20.

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, doomed Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

NEW YORK

Metropolitan Museum of Art: The Search For Alexander arrives at its final destination before being returned to Greece with its display of 180 works of Greek art from the 4th to the 2nd centuries B.C. Ends Jan 3. (535 7100)

Guggenheim Museum: Selections from Peggy Guggenheim's Venice collection will be displayed for the first time in New York, including works by Braque, Chagall, de Chirico, Picasso, Mondrian and Duchamp. Ends March 13. A retrospective of Yves Klein includes 100 paintings and sculptures and personal letters and photos. Ends Jan 9. (860 1300)

VIENNA

Kunsthistorisches Museum: Stones of the Pharaos. An exhibition of works of art starting from pre-historic days, using a wide variety of materials from precious and semi-precious stones to various types of stone. Geologists have brought together 1,000 varieties of stone from 400 quarries in Egypt to identify the source of materials used as long as 2,500 years ago. Samples of rock are displayed alongside the statue or similar work of art. Ends Jan 23.

WEST GERMANY

Berlin, Bauhaus Archiv, 13-14 Klingelhöferstrasse: Furniture, industrial products, models, sketches and photographs from between 1923 and 1964 by Ferdinand Kramer, the German architect and designer. Ends Jan 22.

Berlin, Akademie der Künste, 10 Hanseatenweg: Oh Canada has paintings, architecture, films, videos and performances documenting the development of today's artistic scene in the North American country. Ends Jan 30.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: The first venue of an exhibition on New York Now touring the Federal Republic at present. It comprises more than 100 works from the last five years by 20 New York painters and sculptors. Ends Jan 23.

Düsseldorf, Kunstpalast, 4 Ehrenhof: More than 800 pictures, sculptures and graphics by 350 German artists accompanied by a special exhibition of Soviet Art. Ends Jan 2.

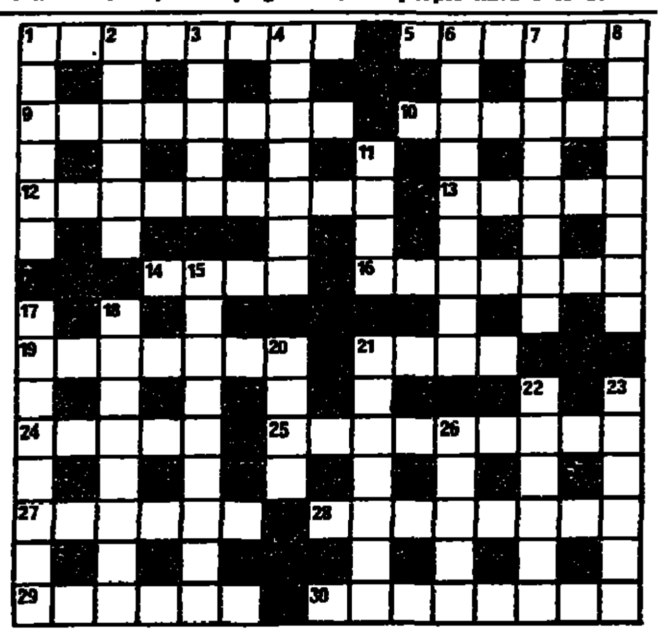
Cologne, Kunsthalle, Josef Haubrich Hof: The Three Magis has paintings, sculptures and artifacts dating from the 11th to the 19th century, depicting their veneration and adoration of the Christ child. Ends Jan 30.

Munich, Villa Stuck, 60 Prinzregentenstrasse: Vienna around the turn of the century is the topic of roughly 200 graphics and book illustrations by the so-called Austrian Secessionists. Among them Gustav Klimt and Oskar Kokoschka. Ends Jan 30.

Munich, Stadtmuseum, St. Jakobs Platz: Just under 100 European posters deal with political, economic and cultural events between 1945 and 1959 – the time of Cold War and economic miracles. Ends Jan 9.

Frankfurt, Städtisches Kunstinstitut, 63 Schaumainkai: Harvard University has loaned its collection of German twentieth century art from its Busch Reisinger Museum, chiefly works from the 1920s and 30s. Ends Jan 10.

F.T. CROSSWORD PUZZLE No. 5,060



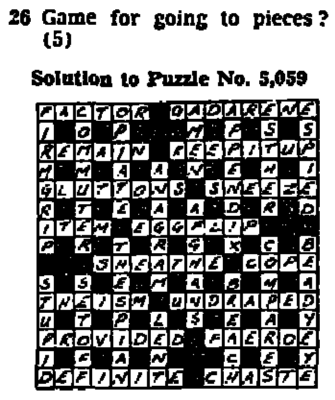
ACROSS

1 Teacher with weight to talk in rambling fashion (6, 2)
5 Change the tress of false hair (6)
9 A sometimes active mount (8)
10 Agent accepting cut that's slipshod (6)
12 Men ruined, ruined, having to weaken gradually (9)
13 A meat ball returned from this U.S. city? (5)
14 A different cost from over the border (4)
16 The dog is kind of cross (7)
19 Element making a ruin—then hesitation? (7)
21 One person or many (4)
24 Necklace has no right to be a hat! (5)
25 Fundamental reason for us to care, love differently (4-5)
27 Poles are covered by it (3-3)
28 The whole of work unit in charge is hypersensitive (8)
29 The nurse is a Union member (6)
30 Protect the special area (8)

DOWN

1 The lively do! (4-2)
2 Bedi's ebullient, keeping back over and above (6)
3 Alloy from tin, various other metals (5)
4 A visionary character? (7)
6 Quite tipsy, emitting no squeaks (4-5)
7 Marble going up in light for household supply (3-5)
8 Agricultural stroke (8)
11 School period in the winter months (4)
15 Do prisoners give it as they go inside? (5, 4)
17 Draperies are the end (8)
18 Form of canvassing in the main on ship's title (8)
20 Take vehicle up to trading place (4)
21 Brother to rile, upset, young chick (7)
22 Robber with crocodile tears? (6)
23 Secure a form of [illegible] (6)
26 Game for going to pieces? (5)

Solution to Puzzle No. 5,059



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Thursday December 30 1982

Foreign policy under scrutiny

TIME WAS when public opinion was something that British officials and politicians appealed to when all the good arguments had run out. Not so today. Indeed, public opinion now looms uncomfortably large in the two main areas of policy where it is traditionally supposed to carry least weight: foreign affairs and defence.

In foreign policy it was the Falklands affair which provided the most spectacular instance this year of public opinion asserting itself. Lord Carrington was, in part, a sacrificial victim to parliamentary and wider public opinion. His resignation came as a reminder of the dangers inherent in the position of an able, respected and powerful Foreign Secretary who plays a disproportionately large role in the foreign policy-making process.

But there is something new in the nature of the problems that post-war foreign secretaries have had to handle which has a bearing on the response of the public. At its simplest, it boils down to popular sensitivity over Britain's post-colonial inheritance of recalcitrant bilateral problems.

In some cases—such as the Falkland Islands or Gibraltar—it is the highly emotive issue of sovereignty that stirs passions. In others—of which Belize, under constant military threat from Guatemala, is a potentially troublesome example — obligation rather than sovereignty is the likely sticking point for public opinion.

Public opinion

While diplomats see policy in terms of the pursuit of national interest, mass opinion is less calculating, as indeed are some elements in parliament. Politicians admittedly ignore public opinion and morality at their peril. But the gap in perceptions here also opens up a temptation for politicians to retreat into risky policies which inadequately express national interests, outrun the longer term economic capacity to support them and carry the possibility of subsequent backlash when the policies run up against reality.

In defence, the question of how to handle the peace movement both worries and divides people in Whitehall. Understandably so: there is much in Nato's nuclear strategy that could be expected to worry public opinion—not least that the centre of its strategic doctrine is that the American President will authorise the first use of nuclear weapons in response to a Warsaw Pact conventional invasion of Western Europe that looks like succeeding.

The degree of overkill in nuclear arsenals is another good reason for public concern. And from the purely British point of view, the fact that Britain maintains a higher level of defence spending as a percentage of gross domestic product than any other Western European country apart from Greece takes some explaining.

Above all, President Reagan, with his injudicious remarks about limited nuclear war and an escalating U.S. defence budget, appears to command much less confidence with the public than is healthy for the unity of the Atlantic Alliance.

Small caucus

That said, governments have compounded the problem through their own method of handling it. Public confidence in decisions on security is not enhanced when they are taken by a small caucus of ministers and debated only after the event (as with Trident) or when the cost has quadrupled (as with Chevaline).

Nor does the handling of recent public statements on U.S. plans to build a new headquarters in Britain as a logistical back-up for the headquarters in West Germany inspire confidence. The instinctive response of both the British and West German governments to a Press leak in this instance was to try to deny all, partly no doubt for fear that this might lend impetus to the unilateral disarmers' campaign; then to recant later.

Yet it is not self-evident that the facts were actually damaging. And since such facts will out sooner or later, denial compounds the sense of public mistrust, on which the Soviet Union plays so effectively when it appeals to public opinion over the heads of western governments in statements on arms control.

In the final analysis, it is not possible to have adequate popular support for defence and foreign policy commitments unless the public can be carried along through adequate debate. The price of decision by caucus on major issues of defence strategy and expenditure may well be a large and active peace movement.

Belgium swallows its medicine

A YEAR ago, few OECD governments would have wanted to take any tips on economic management from Belgium. And a year ago, few Belgians would have bet very heavily on being able to celebrate the first anniversary of the new coalition government that had just been formed by Mr Wilfried Martens.

As events have turned out, though, other countries could now usefully take a leaf or two out of Belgium's book, and there are reasonable indications that the year-old coalition may yet get something of a pre-war record by running its full four-year term.

Belgium's political and economic turnaround is still far from complete. But 1982 has nevertheless been a year of remarkable achievement. At first glance, it might be hard to spot the improvements. Unemployment is still the highest in the EEC, and has risen past 550,000 out of a total population of some 10m. The spring saw an essentially forced 8.5 per cent devaluation of the Belgian franc that did not prevent the deterioration of the balance of payments, and meanwhile the state's debt crisis and borrowing needs have not improved

Improvements

Yet improvement there has been, first of all in the Belgian political climate. Twelve months ago, when Mr Martens formed his fifth coalition since April 1979 (and there had been other interim governments, too, in that time), Belgian voters and their political representatives richly deserved being called the Bourbons of Western European democracy.

With their interminable Walloon-Flemish wranglings, the Belgians seemed to have learned nothing and forgotten nothing. But Mr Martens' right-wing coalition of Social Christians (Christian Democrats) and Liberals (even stauncher conservatives, whose name stems from 19th-century anti-clericalism) has done much to change that. This autumn, the new government was itself surprised to win a popular mandate from the Belgian electorate when local elections in almost 600 communes in effect approved its tough austerity policies.

Belgians' willingness to swallow unpalatable medicine is only part of the country's change. Equally important has been the emergence of a government that was prepared to risk administering it. The fact that Martens V, as the centre-right coalition is known, was formed between partners in broad agreement as distinct from previous "alliances" representing 82.5 per cent of the political spectrum has made all the difference. This one has no internal self-destruct mechanism.

Realistic

The parallel developments of a determined government and a realistic electorate have produced the first real wage decrease in Belgium's post-war history. The suspension of wage indexation and the imposition of what amounts to a wages freeze has already begun to price Belgian goods back into international markets. Real incomes in the country are reckoned to have dropped some 3 per cent this year, and that, coupled with the short-term effects of devaluation, has yielded an average improvement in export profit margins of about 15 per cent. It is a vital boost for a country that exports half its industrial output.

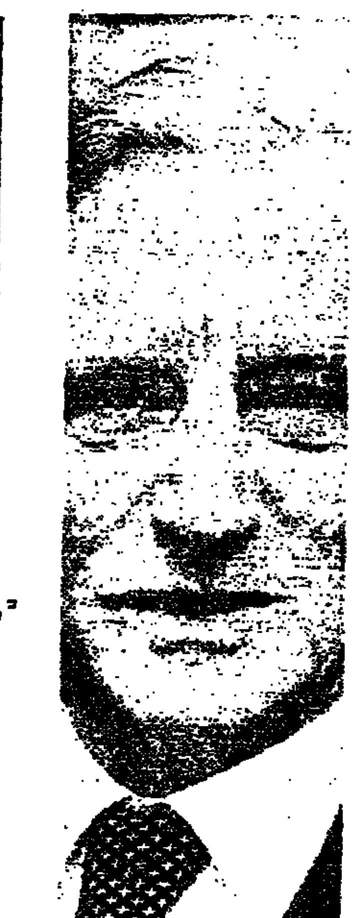
Other positive actions have included new work-sharing measures to increase employment and tax breaks for private and corporate investors that have breathed life back into the Brussels bourse with a 25 per cent rise in share prices. There remains, though, the intractable problem of reducing government debt. Higher taxation and reduced public spending are the broad solutions open to Mr Martens and the detailed ways in which he plans to apply these will most probably be unveiled in January when the Government seeks parliamentary renewal of the special powers needed to enforce genuine austerity. Mr Martens should not be denied by his political opponents the chance to apply phase two of the stern recovery programme that Belgium needs and most Belgians want.

THE BANK OF ENGLAND

Hugh Routledge
Mr Robin Leigh-Pemberton at his home near Sittingbourne, Kent, this Christmas

The legacy of the Richardson era

By John Plender



Mr Gordon Richardson

MR Gordon Richardson, the outgoing governor of the Bank of England, is, in appearance, unquestionably haute banque. Perhaps that patrician, establishment and essentially conservative bankerly exterior was one of the factors that jarred on a prime minister who is no respecter of establishments.

Certainly no one disputes that the relationship between Mrs Thatcher and the Governor has at times been uneasy. Her failure to ask Mr Richardson to renew his term of office did not come as a surprise, although the choice of successor did. Mr Robin Leigh-Pemberton, chairman of National Westminster Bank, whose appointment was announced just before Christmas, was until recently regarded as an outsider in the race.

So what sort of governorship was Mr Richardson's? Why did he establish a closer rapport with a Labour Government than with a Conservative one whose sound money convictions he shared? And what sort of bank does he leave to his successor?

Mr Richardson was appointed governor by Mr Edward Heath in 1973 when the Bank was about to go through a wretchedly unhappy period. The secondary banking crisis, which began with a run on London and County Securities late in 1973, raised bruising questions about the Bank's role in the regulation of the banking system. The competence of his advice to the Government was also under attack in the aftermath of the monetary expansion that followed the introduction of the Competition and Credit Control policy in September 1971 and the abandonment of a fixed exchange rate.

The arrival of a Labour government in March 1974 posed a further challenge. In the wake of the oil crisis the Wilson government allowed the public sector borrowing requirement to soar as a percentage of gross national product. While inflation, measured by the retail price index, was heading for a peak of 26 per cent in the 1974-75 recession, real money supply contracted sharply, imposing a severe liquidity crisis in industry and precipitating a savage plunge on the stock market.

This was the time when the British establishment, living under the shadow of the then Industry Secretary, Mr Tony Benn, probably came closer to losing its nerve than at any time since the war. But despite a sticky start when the Government was slow to recognise the threat that the financial crisis posed for the wider economy, Mr Richardson asserted himself persuasively.

His influence was almost certainly felt in the decision of Mr Denis Healey, the Labour Chancellor, to introduce stock appreciation for tax purposes late in 1974, which effectively pre-empted widespread industrial bankruptcies; also in the lifting of business rent controls at about the same time. And when the Treasury was holding back Mr Healey on the introduction of money supply targets — the single most important change in domestic macro-economic policy management since the war—the Governor, with support notably from Mr John Fforde and Mr Charles Goodhart within the Bank, egged him on.

The Bank did not come out of this period without criticism. While the Treasury was responsible for broad intervention strategy, the Bank's day-to-day management of sterling early on in the 1976 monetary crisis came under fire. There were disagreements between Mr Richardson and Labour Cabinet Minister Mr (now Lord) Lever, who thought that Britain could stave off the crisis through further borrowing.

The containment of the secondary banking and property collapse was widely regarded as an impressive feat. But some leading bankers argue privately that Mr Richardson was far too lenient with the entrepreneurial fringe.

On the international scene, Mr Richardson's assiduous attendance at central bank meetings stood him in good stead both in 1976, when Britain had to make urgent demands for credit, and more recently in the present debt crisis. Throughout, he kept a low profile, preferring persuasion in private to public criticism

By the time Mrs Thatcher took office in 1979, the Governor had done much to re-establish the authority of the Bank. Major steps had been taken in the regulation of the domestic banking system, including the introduction of the Banking Act, and in establishing closer links with industry.

With money supply targetry firmly established at the centre of macro-economic policy, the Bank's potential influence in Whitehall had greatly increased. Yet the cause of recent frictions between the Prime Minister and the Bank lies precisely in the chief area of central banking concern: the execution of monetary policy.

The scope for tension was apparent at the outset since Mr Richardson believed that the Government's economic policy was too heavily dependent on monetary policy and that its approach to targetry was too rigidly directed at the single sterling M3 definition of money supply. And the explosion came soon after the lifting in 1980 of the "corset" controls which had in effect imposed quantitive limits on bank lending.

The Bank was taken aback when sterling M3 grew by a monumental 5 per cent in the single month of July 1980 and a further 3 per cent in August, taking it well over its 7-11 per cent target range. In effect, money that had escaped the corset by going into bank bills, euro-sterling and other similar bolt holes came flooding back into sterling M3 at a time when the exchange rate was signalling that monetary policy was exceedingly tight.

As far as most people in the City are concerned monetarism has never recovered fully from this blow. And Mrs Thatcher, returning from holiday in Switzerland where her monetarist principles had been sharpened up by economist Karl Brunner, found neither the Governor nor the Deputy Governor there to explain the situation. Two senior officials from the Bank were called to Downing Street and roasted in their place.

The Bank argues that the extent of the sterling M3 "leak" was unknowable and that its initial opposition to the Government's medium term financial strategy was based on the fear that the framework would be wrecked at the outset by the corset distortions unwound.

There were further tensions when the Prime Minister's economic adviser Professor Alan Walters put the case for controlling money through the monetary base of the banking system. This was essentially a mechanistic system, which would have removed the need for discretion and judgment on the part of the central bank in setting interest rates. It was fiercely attacked by the Bank.

Finally the Governor's personal opposition to index-linking is reckoned to have caused irritation in Whitehall, where the readiness to issue index-linked debt is seen by some as an earnest of the Government's determination to bring down inflation, rather than a step towards an inflationary abyss.

Mr Richardson's critics argue that he appears at his least communicative and most proconsular in macro-economic policy; and that on issues to do with the management of capital, where he is instinctively more at home, he is a traditional City conservative.

On his relationship with Mrs Thatcher, who has never attacked him personally over the post-corset fiasco, the atmospherics simply appear not to have worked. His insistence on the complexity of policy issues is said not always to have gone down well in Downing Street.

Yet he leaves his successor an impressive legacy at the Bank, having vastly improved the quality of the staff and of their economic output, overhauled the management structure, opened up its operations somewhat to the Press and to the Treasury Committee of the Commons and having added significantly to its international standing.

For all his characteristic central bank conservatism, Mr Richardson can justly claim to have done his utmost to drag the Old Lady's own operations into line with the times.

The new Governor: natural conservative with a flair for team leadership

"I think he has done an outstanding job through a very difficult period. He has handled all our external relations extremely well and he is frightfully good with people. He has also guided the board to make the right appointments internally and laid down policy as to where the bank is going."

This is how one of the abler non-executive directors of National Westminster Bank sums up Mr Robin Leigh-Pemberton's five-year tenure as chairman of the biggest High Street bank in Britain. It is a view which senior bank executives and directors alike subscribed to, long before his surprise appointment as the next Governor of the Bank of England.

Whatever outsiders might say about his lack of banking expertise and inexperience in economic affairs, it is clear that Mr Leigh-Pemberton is a very popular chairman, has done wonders for staff morale and has improved the bank's image in the UK. These attributes are important in a labour-intensive industry like clearing banking.

Mr Leigh-Pemberton is more extrovert than his predecessor, Sir John Prideaux (who was regarded as a rather lofty and distant figure), and he has a wider range of interests outside the bank. He has stood out amongst clearing bankers in his energetic support for the bank's involvement in community projects.

"To a large extent he has been the bank's figurehead, somebody who was supposed to speak for it and promote NatWest's interests in all walks of life with politicians, business people and leading bankers," said one senior executive

That said it is hard to discern his imprint on National Westminster since he took over in 1977. He inherited a policy of developing the bank into a major international force which had been laid down by Sir John Prideaux and Mr Alex Dibbs, the former group chief executive.

Over the last five years the bank has to a large extent fulfilled this objective. Shortly after Mr Leigh-Pemberton took over, it acquired a majority stake in Global Bank, a German private bank, and in the spring of 1979 paid $430m for the National Bank of North America.

Its overseas investments have not been particularly successful and it has been its wholesale involvement in the Eurocurrency markets which has really put NatWest into the international class. It was the first UK bank to set up specialist divisions to look after areas such as oil lending and aerospace.

It has also been more conservative than many of its rivals in the sort of international business it has taken on.

Mr Leigh-Pemberton is no doubt responsible for the bank's stance. But there is a feeling that this might be due more to natural conservatism than any long term assessment of the deterioration in the international banking climate.

On the domestic front, National Westminster has allowed its main rival, Barclays Bank, to seize the initiative on many occasions. The latter won considerable kudos by moving aggressively into the mortgage market and taking on the building societies. More recently it has reversed the banks' joint decision to close on Saturday mornings.

Mr Leigh-Pemberton's departure for the Bank of England leaves National Westminster Bank with a major problem since it is in the throes of its biggest management reorganisation since the merger of the National Provincial and Westminster in 1970.

The bank now has the additional burden of finding a new chairman. Ideally, Mr Leigh-Pemberton's successor will combine his flair for team leadership with a clear view of the bank's long-term direction during a period of major change in the marketplace.

William Hall

Men & Matters

In transit

The $90m sale of Turner and Newall's stake in Philip A. Hunt, the U.S. speciality chemicals company, will mark the end of managing director Wilfrid Newton's personal efforts to revive the ailing asbestos and plastics group.

When the deal is completed, Newton will leave the group for Hong Kong where he will take over as executive chairman of the colony's Mass Transit Railway system.

Newton, who joined Turner and Newall in 1968, was obviously disappointed at being passed over when Sir Francis Tombs was brought in to replace chairman Stephen Gibbs after his abrupt resignation a few weeks ago.

Despite T and N's troubles—half-year losses were £4.5m and it faces mounting claims for asbestos-related diseases—Newton has earned respect in the industrial community.

He was head-hunted for the job in Hong Kong, a place he knows "reasonably well" from the 1960s when he worked for Mobil Oil in Japan. "The job is largely financial . . . and that is my background," he says. "It will also require some management skills, and though some people might disagree, I think I've got them."

The Mass Transit Railway, independently-run but Government-owned, is now two-thirds completed. Two lines connect Kowloon with Central district on Hong Kong island; the third "Island" line is expected to be finished in 1985-86 at a cost of around £1bn.

Generally speaking, the system is a popular success—clean, quiet, cheap, and carrying 1m passengers a day. But controversy surrounds the financing of the "Island" line and this will be the big issue awaiting Newton's attention.

When the property market was booming, it was gleefully expected that the MTR could set up joint ventures with private sector partners to develop station sites, split the profits, and thereby fund half its costs.

But the property market has now collapsed. The consortium led by Hang Lung Developments which contracted to develop the major sites on the line has already unilaterally withdrawn from the first project. Newton thus has quite a financial knot to untangle.

Needless to say, as chairman of the Mass Transit Railway, he will get a company car with the job.

Work not worry

"It always amazes me that a young lad from the back streets of Leeds, and starting work in a place like Rotherham, can come through to the top," says Jeff Benson, the amiable Yorkshireman who has left the chief executive's seat of National Westminster Bank to become deputy chairman.

Benson, who has been running the bank for five years, adopts the principle that "hard work never killed anybody but worrying about it did." He has been less visible than his predecessor Alec Dibbs but no less effective. Not so long ago Benson worked for 17 weeks without a free weekend.

However, any thoughts that his elevation to the deputy chairmanship of the bank will mean the arrival of the quiet life have been rudely shattered by the planned departure of his chairman Robin Leigh-Pemberton to the governorship of the Bank of England.

Benson is not expected to take the chair himself but will be heavily involved in smoothing the way for Leigh-Pemberton's successor.

Benson admits the bank might be criticised for being overly-conservative under his leadership but adds: "At the end of the day I can sleep more comfortably in my bed than some other people."

"That's the marvellous thing about sales—I buy things I don't want at a price you can't afford."

Streets of gold

What business in the City of London has been growing at a comfortable 15 per cent a year for the last 10 years and shows no sign of slackening pace? The answer is international banking.

Noel Alexander Associates is a small but highly specialised company which specialises in providing all the services needed to start up banks in London, ranging from offices to well-manicured chief executives. It will shortly complete its latest deal for a consortium of three west European banks desiring to open as a licensed deposit-taking institution early in 1983.

Meanwhile it is looking for a senior British man to run the London office of a top German bank.

The Noel Alexander portfolio during 1982 illustrates the continuing world interest in setting up London banking facilities. A difficult year which included the Falklands conflict with Argentina did not disrupt the trend. Noel Alexander acted during the year for four new Latin American bank clients wishing to move into London. Two were from Argentina, one was from Mexico, and the fourth was from Brazil.

When Noel Alexander de Berry and his partner Joe "Bones" Mortlock set up the company in 1972, Bones was warned by his friends in City finance that he was too late upon the scene. "There can't be any more banks wanting to open here," he was told.

At that time there were 197 foreign banks licensed in London. Now there are more than 400 with another 30 or so queuing to get in.

Hope springs . . .

Millions of Americans are getting their customary post-Christmas present from Uncle Sam this week—their annual income tax form. And, burdened as he is by more than $1,000bn worth of debt, the wily fellow is trying to cash in on whatever may be left of the season of good will.

A message on the front reads: "Quite often we receive inquiries about how people may make voluntary contributions to reduce the public debt. If you should wish to contribute just enclose in your tax return envelope a separate cheque made payable to the Bureau of the Public Debt."

Just to add that little extra enticement, the message reminds taxpayers that any contribution they make qualifies as a charitable donation which is deductible from their taxable income. Perhaps the Treasury's name should be changed to Samfam.

I'm sure that every little helps. But someone has calculated that even if each of America's 100m workers gave $1,000 that would wipe out only one-tenth of Uncle Sam's overdraft.

Observer

THE SOVIET UNION AND AFGHANISTAN

A gruelling three-year battle

By Alain Cass, Asia Editor

THE TANTALISING possibility of a political solution to the crisis in Afghanistan — which burst upon the world three years ago this week — has evaporated only a month after it was tentatively raised by Mr Yuri Andropov's accession to the Kremlin leadership.

There is, as yet, no sign of the "new flexibility" which President Zia ul-Haq of Pakistan spoke of after meeting the new Soviet leader. On the contrary, the new Soviet régime insists that the situation in Afghanistan is "irreversible." Mr Babrak Karmal, the puppet Afghan leader installed at the time, echoed this in Moscow recently.

Over 100,000 Russian troops are still fighting south of the Oxus river; so far they are believed to have suffered an estimated 12,000 dead or wounded. The scene in the capital, Kabul, and its airport appears much as it was on that Sunday after Christmas in 1979 when the first foreign correspondents witnessed the full might of the Red Army imposing its will on a confused and angry population.

Mr Andropov may still choose to pursue a political solution. But, for the time being, all the evidence suggests that Moscow views Afghanistan in the same light as the predominantly Muslim Soviet Asian Republics brutally subjugated 60 years ago. Once external support for the guerrillas ceases, that will be the end of it, and Afghanistan will be absorbed into the Soviet empire.

Even the Russians admit that there is a 'stalemate'

After three gruelling years of trying to subdue the tough, xenophobic tribes who live in this rugged country close to the oil-bearing regions of the Gulf and the warm waters of the Indian Ocean, the Russians have failed to achieve their objectives. Even Russian diplomats reluctantly admit that the military situation is now one of "rough stalemate."

The Russians control the capital, Kabul, and most of the provincial towns much of the time. They are able to keep their lines of communication open, at least in the day, assuring a continued flow of natural gas from Afghanistan to the Soviet Union and some movement of goods.

The resistance controls most of the countryside, keeps up a steady harassment of Russian and Afghan army convoys on the major highways and is mounting an increasing number of terrorist attacks within the big towns, including Kabul itself.

The day-to-day war consists mostly of small incidents with limited casualties on both sides, punctuated by the odd major engagement such as the recent battles for the Panjshir Valley, east of Kabul, in which repeated assaults by large numbers of Russian ground and airborne troops backed by armour, artillery and gunship helicopters failed to dislodge guerrilla strongholds. There have been some notable Russian successes but not many.

Since the invasion which was conducted on conventional lines, employing airborne units, tanks and classic infantry assault tactics, Russian forces in Afghanistan have switched to emphasise helicopter attacks, the use of small, fast, highly mobile units, the use of tanks as artillery support instead of mechanised units and a much greater degree of decentralisation in command structures.

The counter-insurgency tactics which are now evident appear to owe something to the American experience in Vietnam. This is especially true of the widespread use of the Mi-24 Hind D gunship helicopter. Small, mobile engineering units are widely used to mine passes into Pakistan, while flame-thrower tanks are employed to flush out guerrillas from caves in mountain areas where snipers are admitted to be a serious problem.

One of the most frustrating Russian failures in Afghanistan has been the inability to establish the writ of the Karmal regime and achieve a truce between the two principal factions of the ruling People's Democratic Party.

This deep-seated and characteristically Afghan blood-feud dates back to the late 1960s. The present Afghan leader heads the so-called Parcham faction while his predecessor, who was overthrown and killed when the Russians invaded in December 1979, headed the numerically superior Khalqi faction.

These problems are compounded by large-scale defections to the rebels from the Afghan army which is now down from its theoretical strength of 100,000 to well below half that number. Afghan army defectors will switch sides because of tribal, ethnic, regional or religious affiliation.

This mosaic of loyalties also bedevils the Mujahideen—the guerrillas — who have made virtually no progress in the past three years in forging a united political front to negotiate a settlement, if it ever came to that, or in co-ordinating their military activities.

These fundamental characteristics of the Afghan resistance — its fractiousness and its intensely Islamic character could ultimately prove to be the most difficult obstacles to a political solution.

The only existing basis for such a solution is the UN formula which calls for a withdrawal of Russian troops, the restoration of an independent and non-aligned Afghanistan, the right of self-determination of the Afghan people and the return of the refugees.

In fact, it is Utopian and both Pakistan and the Afghan resistance have come to accept that any regime in Kabul would have to be sympathetic to Moscow while the Russians now understand that governing Afghanistan without the consent of at least most of its disparate tribes is impossible. That much progress has been made.

A solution, therefore, involving a phased withdrawal of Russian troops with a return of the refugees and a pro-Moscow coalition in Kabul might theoretically, be possible.

In reality, this seems highly unlikely. All attempts to unite the rebels have so far failed. None of the factions has what might remotely be described as a political programme. Feudalism is both the bond and the barrier. Even if Iran, Pakistan and Kabul could find a workable compromise, the chances that they could carry the rebels with them are remote.

Despite Pakistani denials, armed training camps do exist near the Afghan border, and truckloads of arms can be seen crossing into Afghanistan under the noses of frontier guards. A prolonged war of attrition could easily erupt into open frustration.

"The future leaders of the resistance will emerge from the trenches. It's as simple and as complicated as that," says one observer in Peshawar.

The fact that Islam is the chief inspiration of the resistance is also likely to be seen by Moscow as a major disincentive to pull out. Said one East European observer: "The Russians could live with a Western-style coalition in Kabul because they believe it would only be a matter of time before they undermined it and took it over. But a hard-line ideological, Islamic state—another Khomeini on their southern border—would be unacceptable."

Short of a quick settlement or a withdrawal, Mr Andropov is now faced with two choices. The first is to escalate the war in an effort to "win." This would mean a major new commitment, increasing troop levels to between 250,000 and half a million and mounting "hot pursuit" raids into Pakistan to strike at rebel and refugee bases.

For the present, this seems unlikely. It might provoke a response from China and a total trade embargo from the West. It would dramatically worsen Soviet relations with the Islamic and Third World and may, in any case, prove prohibitively expensive. Finally, it would do nothing to enhance the Soviet Union's strategic position because, despite American concerns to the contrary, there is little evidence to suggest that the Russians have been building up their position in Afghanistan to push on towards the oil-rich Gulf.

'The future leaders will emerge from the trenches'

The second option is to carry on much as before while exploring the possibilities of a political solution. There is little evidence to suggest that the cost of the war is proving too hard to bear for the Kremlin. While the Russians cannot beat the resistance, the rebels can't win either.

A change in policy in Moscow may come under Mr Andropov. For the time being, however, as one guerrilla leader said, "we are still very much in the military phase."

Bob Hutchison

Britain's Economic Decline

Making money is not quite cricket

By Ian Davidson

THE NEW orthodoxy on Britain's economic decline, as exemplified by Professor Martin Weiner's book English Culture and the Decline of the Industrial Spirit 1850-1980* and the recent World in Action programmes, is that we have been betrayed by the anti-industrial values of our ruling class. For well over 100 years, the argument goes, the aristocracy has found industry grimy and distasteful; the class system has prompted successful entrepreneurs to give their offspring a public school education through which they can emulate the fastidious manners of *their betters; responding to demand*, the education system has pushed academic study at the expense of the practical, the classics at the expense of engineering; as a result our values are dominated by rural nostalgia, our government establishment by clever, effete, non-committal Wykhamists, our academic establishment by abstruse theoreticians who know nothing and care less about the industrial base on which their incomes depend so precariously.

This is a very comfortable thesis for anyone who wants both a simple explanation and a scapegoat for Britain's relative economic decline. It also makes a welcome change from that more familiar war-horse, the thesis that our economic failure can be put down to the British class system; unless, of course, the new thesis is just the old thesis in disguise. But it seems to me that the rural-nostalgia argument is founded on a number of implicit value-judgments which are inherently questionable.

The first questionable value-judgment is the implied depreciation of ruralism as such. Obviously, it was irrational for a nation which repealed the Corn Laws, and thus turned farming into a competitive, quasi-industrial activity, to cling to an idealised image of rural life. The inevitable result of this policy was the depopulation of the countryside, the replacement of farm labourers by machinery, and the gradual conversion of peasants into businessmen.

It is only very belatedly, and with a vast kicking and screaming from the farming lobbies, that the other countries of Western Europe are gradually following Britain down the path of competition, rationalisation, and agricultural industrialisation. What is striking is that rural nostalgia is just as powerful now in Britain as it has ever been, and just as powerful on the Continent as it is in Britain. It does not matter whether we are talking about the Swedes, the British or the French; everyone would like a cottage in the country, and more Swedes and French can afford one, because they are richer. It does not matter that the primary *ingredient of farming is* mud; you only have to look at the serried ranks of the *résidences secondaires* in Brittany to know that the Parisians will do *anything* to get out of Paris when they can.

There must be a reason for this preference, which crosses class barriers and national frontiers. Can it be that the countryside is more *agréable* than the town for living in? Naturally, most people could not stick the mud, the isolation and the boredom all year round. But the enthusiasm with which they stream away from the cities when the holidays come round speaks volumes about the rebarbative aspects of urban living. And these are not people emulating their betters; they come from every class, and they couldn't care less what their betters do.

'The rural-nostalgia argument is founded on questionable value-judgments'

The second questionable assumption is that there is something superior about industry. It is obviously in Britain's national interest that there should be a vital industrial base —balance of payments, strategic security and all that. It is much less obvious that it is in the interest of any individual to have to work in a coal mine, a car assembly plant, a steel mill or an asbestos works; unless, of course, he or she has no other way of earning a living.

Naturally, there is ample moral justification for any activity which helps provide for the physical needs of the population. The trouble is that those who are now applauding the new orthodoxy, and braying against what they suddenly believe to have been the treacherous cultural choices of the British establishment of the past century, are by implication romanticising the horrors of industrial life.

The third questionable assumption, implicit in the second, is that industry is coterminous with extractive or manufacturing industry. Those who are now braying loudest on the *left against the betrayal of* industry make no reference to the fact that the service industry is now the strongest sector in the British as in most western economies. Yet the service sector is the one which is most easily transportable to the countryside or at least the suburbs. Naturally, the Government made a nonsense of the banishment of the vehicle licensing department to darkest Wales; but if Britain gets cabled up, there is no reason why the insurance and banking industry should not decentralise to Builth Wells or Pickering.

At the bottom of it all, I suspect that the real but unspoken complaint of the adherents to the new orthodoxy is rather different from the surface message: the British establishment has never been sufficiently interested in making money, and has never shown the proper application either in asserting the right authority over the working class or in working out a more co-operative relationship with it.

This, it seems to me, is closer to the harsh reality. The British are not, in the main, and never have been *really* interested in making money. Some are, of course, by fair means or foul, as the current Lloyd's scandals indicate. But by and large the national ethos frowns on making money for its own sake. Japan, Switzerland and America are different, and richer. I can hardly see the point of complaining about the "betrayal" of British industry, especially when the complaints come from those — academics, journalists, politicians — *who have chosen* not to work in British industry.

* *Cambridge University Press, £9 95*

Letters to the Editor

The re-wiring of Britain—the future is here

From the Information Technology Director, Limelight Associates.

Sir,—I was extremely worried by the letter from R. Prater (December 20)—he raises a number of points which are crucial to the development of interactive services in the UK. Mr Prater overlooks the fact that if the switched star ducting is laid now, it will remain there for at least 60 years. If there are problems with the switch or System X, the tree and branch system can be used as a short-term stop gap, within the switched star ducting.

There has to be clearly defined standards for broadband interactive services if any progress is to be made—entrepreneurs and their backers will be looking for a return on their investment within the timeframe of Hunt's suggested limitation on cable franchises. The standards have to be drafted now if a great deal of time, effort and resources are not to be wasted.

The view that British Telecom can handle the nation's interactive requirement within its existing network is, in my view, the soft option. The UK has been given a golden opportunity on a plate, let's hear no more talk of historical precedent. Fibre optic cable coupled with a switched star network and a clearly defined industry standard would provide the ideal mix. We have the first two, who would like to tackle the third?

Julian Bray.
13 Canford Road, SW11.

From Mr D. Kelly

Sir,—It may be of interest to readers to know that a lot of what has been discussed in these pages about interactive participation in the world of Videotext is actually happening now and is no longer in the future. Travel agents have interactive communication between themselves and airlines using a monitor (home TV), telephone line (as in every home) and a keyboard (available on the open market and Prestel). The point being technology is no longer a stumbling block. As David Hurley pointed out (December 22), private sector competition and innovation will result in the fastest advancement towards "wired society." By the beginning of February, for the price of a local telephone call, estate agents will be able to buy and sell properties nationwide using a Viewdata system. An estate agent returning home and unable to get to the office will be able to programme in recently acquired properties on his own TV and have them available on the open market that minute. The public, by using Prestel keyboards, will have access to this information from its homes and will be able to leave a message with the relevant agent showing interest in a property. The opportunities are enormous and breathtaking.

Dominic Kelly.
Centre Link Communications,
11 West Halkin Street, SW1.

Imports of textiles

From the Deputy Director, Consumers' Association

Sir,—I don't want to bore the imported pants off FT readers, but Mr Sussmann of the British Clothing Industry (December 14) really cannot have it both ways. If the multi-fibre arrangement works it must result in reduction of choice for consumers and more expensive clothes than would otherwise have been the case. If it doesn't what is it for? No exporting country restricted in quantity is going to send its cheapest products. It will trade-up to get the best value out of its quota.

Mr Sussmann says there is an unfortunate tendency to argue on this issue in black and white terms. I agree: There are too many trade spokesmen arguing that black is white.

Rosemary McRobert.
14 Buckingham Street, WC2.

From the chairman, Scottish Knitwear Association

Sir, — I make no apology to Mr Wolf (December 14) for my *argumentum ad hominem*—for homines are at the heart of this whole matter. They include the unemployed textile workers, those at risk, the buyers of garments and the politicians who finally must be persuaded. But I do acknowledge that I gave less consideration than him to the social security needs of overseas workers. Perhaps if their Governments charged national insurance contributions on the British scale, both their problems and ours would be lessened.

Adam Smith is still honoured in his own country, but it is hardly fair to expect an 18th-century prophet to have the remedies for all 20th-century problems. May I commend to Mr Wolf's attention Book IV, chapter II of the Wealth of Nations, which suggests that "the people thrown out of one employment would easily find another" — hardly the experience of today. Nevertheless Smith had the same reservations as many of us about allowing in freely goods which damage domestic industry, or goods from countries restraining "by high duties or prohibi*tions the importation of some* of our manufactures into their country." (That alone would have the effect of curbing many of the low-cost suppliers.) Moreover, he advocates the opening of markets "by slow gradations and with a good deal of reserve and circumspection." How better could the multi-fibre arrangement be described? Perhaps also it is appropriate to remember his admonition that "equitable regard is due to the manufacturer who has fixed capital in his business . . . (which) could scarce be disposed of without considerable loss."

Smith would have undoubtedly considered unused resources, whether of skills or productive capacity, with horror and would not have shared Mr Wolf's distaste for those of us who seek to prevent this — "by pursuing his own interest he frequently promotes that of society more effectually than when he intends to promote it."

There is still economic logic this side of Potters Bar!

P. Johnson.
1, Longford Avenue,
Kilwinning, Ayrshire.

The price of coal

From Mr G. Ledingham

Sir,—I noted with interest that the price of coal supplied to the Central Electricity Generating Board will go up from £37.50 to £40.20 per tonne.

I then tried out a few crude calculations covering storage and primary and secondary distribution to attempt to get to the figure of £130.00 per tonne which I pay for my domestic coal supplies, and it didn't work out very well.

It seems to me to highlight the fundamental problem we have in Britain of the large number of high profit, low risk, middlemen between the actual manufacture and the final retail customer. It may also help to explain the high level of imported goods in our shops today if the foreign exporter chooses his point of entry into our extended distribution chain with greater care than our domestic manufacturers.

G. M. Ledingham.
Hotley Rough,
Prestwood,
Great Missenden, Bucks.

False economies in knowledge

From Dr Noel Thompson

Sir,—Only someone with such a decided antipathy to the teaching of Latin could have produced a letter so riddled with syntactical error, shoddy thinking and unsubstantiated assertion as that of Mr Sidey (December 21).

The essence of his epistolary mish-mash would seem to lie in the assertion that "education should be judged on its productivity of useful and helpful learning" (*sic*). This does present the intriguing possibility of running over educational courses with some kind of utilitarian geiger-counter to see what they register but it does beg the question of how the utility and productivity of our education is to be passed.

Of course the problem of measuring educational productivity does not exist for one who can blandly assert that productivity *in the educational* industry must be compared unfavourably with that in agriculture! Mr Sidey does not amplify the statistical or other basis for this assertion but no doubt the conclusion was arrived at by comparing the relative numbers of pigs satisfied and Socrates unsatisfied over "the last 150 years."

The question of how we assess utility does raise a more serious point given the contemporary tendency to define the term in a perniciously narrow fashion. Indeed it has become necessary to make the obvious point that the utility of education should not be seen simply in terms of the contribution which it makes to the GNP or any other measurable economic indicator. Education is not just an investment good in this narrow sense but also, and more importantly, a means of instilling a respect for civilised values and the products of civilisation without which material prosperity counts for nothing. This is not to disparage the pursuit of material goals but simply to stress that they are a means to an end and not ends in themselves. Economic prosperity may be a necessary but it is not a sufficient condition of civilisation.

Mr Sidey and other would-be utilitarians should, I feel reflect upon the words of J. M. Keynes: ". . . there are such things as false economies in knowledge and the civilising arts, which in fact use up an infinitesimal quantity of materials in relation to their importance in the notional life and the comfort they can give to the individual spirit."

(Dr.) Noel Thompson
Department of Economic History
University College of Swansea,
Singleton Park, Swansea.

Companies and Markets INTERNATIONAL COMPANIES and FINANCE

Wall Street sceptical of Mesa bid price

BY RICHARD LAMBERT IN NEW YORK

AS Mesa Petroleum's $520m tender offer for General American Oil of Texas passed its first key hurdle at midnight on Wednesday, Wall Street traders remained convinced that a noffer at Mesa's price of $40 a share would not be successful. General American shares rose further above the offer price yesterday morning, and were trading around $43¼.

The offer passed its proration deadline at midnight, which means that all shares tendered by that time will go into a pool and qualify for Mesa's offer for 13m out of General American's 25.4m shares. The Meadows Foundation, which owns 28 per cent of General American, has already tendered its 6.6m shares to Mesa, and First Boston—the investment bank acting for General American—said yesterday it expected that Mesa's proration pool would be filled.

But Meadows has indicated that it considers the offer to be inadequate, and that it might take back its shares before the withdrawal deadline in January 11. Wall Street traders are also likely to have submitted their shares to Mesa strictly as an insurance policy, with a view to withdrawing them if a better offer materialises.

There has been repeated speculation in the last few days about the possibility of another bidder coming to act as a "white knight" for General American, and the latter has helped to support its own share price by announcing a tender offer for 5m of its own shares at $50 each. The proration and withdrawal deadline for that offer both come on January 7, and so it could well attract some of the shares which were tendered to Mesa yesterday.

Meanwhile, Mesa says that it has arranged financing of $1bn to back its bid. This consists of a revolving credit facility for up to $400m, a $325m facility secured by oil and gas properties of Mesa, and a $275m facility secured by all shares of General American acquired by Mesa.

If it succeeds in gaining control with its tender offer, Mesa plans to make an offer worth less than $40 a share in its own securities for the remaining shares in General American.

Samuel Montagu HK to advise Chung brothers

BY ROBERT COTTRELL IN HONG KONG

THE HONG KONG deposit-taking office of Samuel Montagu, the UK merchant bank, has been appointed financial adviser to Hong Kong's two Chung brothers, whose Alk San Realty and E. Wah Realty companies are the heart of a private property empire comprising 206 subsidiary and associated companies, with interests in 118 projects.

The Chungs have loans outstanding from 91 banks, including 19 syndicated credits. They need a debt restructuring to cope with liquidity problems brought on by Hong Kong's collapsing property sector.

The two brothers, Mr K. H. Cheung and Mr M. F. Chung — a third brother is Mr C. M. Chung, chairman of troubled Eda Investments — are tentatively estimated to have overall debts of HK$3.5bn (U.S.$536m).

Alk San and E. Wah are members of the consortia which successfully bid for the rights to develop HK$10bn of property associated with Hong Kong's mass transit railway, but which decided not to go ahead with the first site, "Admiralty Two," when the time came a month ago to pay the government for the land.

The two Chungs also have a 12 per cent interest in Vermillion Land Company, a consortium led by the Hong Kong Land Company which is developing a luxury residential site at Redhill on Hong Kong Island. Vermillion paid HK$1.3bn for the site, and borrowed HK$1.5bn, the largest-ever Hong Kong dollar syndicated credit, to finance the project. The credit was lead-managed by Wardley and Citicorp in January 1981 and involved 16 participating banks. Bankers say that the Chungs' problems are forcing a re-studying of the financial structure of the Vermillion consortium.

Samuel Montagu, which set up in Hong Kong as a registered deposit-taking company on November 22 this year, is now "independent financial adviser" to the Chungs and their companies — independent in the sense that Montagu is not a lender to its clients.

Montagu inherits some groundwork done by Wardley, the Hongkong and Shanghai Banking Corporation subsidiary, which circulated a letter to creditors at the start of November offering details on the Chungs' empire and outlining financial problems there. According to an estimate as of August 31, the Chungs had gross assets of HK$6.35bn—indicating a net worth of almost HK$2.9bn. But nominal Hong Kong property prices have continued to decline, while in practice buyers have all but disappeared, making any valuations more than usually hypothetical. The Carrian and Eda groups are other casualties of this slump.

● The receiver appointed last week to Eda Investments, the quoted Hong Kong property concern with debts of some HK$1.5bn, was withdrawn at a subsequent court hearing on Thursday. Bankers say the turnabout reflects not a change in Eda's financial condition, but the limitations of the original order. The receivership order, obtained and then rescinded at the request of Barclays Asia, applied only to the publicly-quoted companies in the Eda Investments group.

The public group's interlocking relationship with the private Eda Holdings group apparently made it impracticable for them to be dealt with separately.

Midlantic Banks in $83m bid

By Our New York Staff

MIDLANTIC BANKS is making an agreed bid worth around $88m for Greater Jersey Bancorp in an offer which it says will create the largest banking entity in the state of New Jersey. Based on third quarter figures, the combined group should have assets of nearly $5.4bn.

The two banks, said yesterday that the bid would result in expanded banking capabilites for the commercial and retail sectors in New Jersey. It would also put the two institutions in a better position in the likely event of interstate banking becoming legal in the U.S.

The offer is worth $36 for each greater Jersey common stock, and consists of a package of equity and cash. Midatlantic said that it represented a premium of about 10 per cent over Greater Jersey's book value, which it claimed had become the going rate in other recent big banking mergers in the North eastern part of the U.S.

Midatlantic has 137 branches and total assets of just over $4bn. Greater Jersey has 39 branches and assets of over $1.2bn.

General Dynamics sues AT & T

By Paul Betts in New York

GENERAL DYNAMICS, the leading U.S. defence contractor, filed a surprise antitrust suit against American Telephone and Telegraph yesterday charging the predominant U.S. telephone company of anti-competitive and monopoly practices in the domestic customer premise equipment market.

The suit is surprising because it was filed barely three days before the new customer premise equipment market becomes free from tariff regulations at the start of the New Year under the so-called Federal Communications Commission's Computer Inquiry Two order.

The suit, filed at a time when the entire U.S. telecommunications industry is being reorganised, involves the communications subsidiaries of General Dynamics, including among others Stromberg-Carlson, which the defence contractor sold earlier this year, mainly to United Technologies.

General Dynamics is seeking "many millions of dollars" in triple damages.

Only last week, a Federal judge dismissed an anti-trust case by Southern Pacific against AT & T, rejecting claims by the railway company's former communications subsidiaries of anti-competitive practices by AT & T.

Fall in Combined International profit

COMBINED International, formerly known as Combined Insurance Company of America, is to take a charge in the fourth quarter which may approach $18m and said net earnings for the year will be lower than last year's $100.4m, our Financial Staff writes.

In the 1981 fourth quarter, Combined International had operating earnings of $22.2m.

Chrysler Canada aid package in jeopardy

BY VICTOR MACKIE IN OTTAWA

A C$250m (US$200m) financial package, designed to save Chrysler Canada, the Canadian subsidiary of the troubled U.S. motor group, from financial ruin, is in jeopardy because the U.S. carmaker has decided to postpone the retooling of its plant at Windsor, Ontario, which is at present temporarily closed down.

Mr Ed Lumley, the Minister of Industry in the Canadian Federal Government, said that the postponement has put the whole agreement in jeopardy and that the U.S. auto company will now have to renegotiate with the Federal Government. "We're back to square one and all bets are off. We'll have to start from scratch at the first of the year," said Mr Lumley. "I've told them (Chrysler) they sure can't expect to get the same treatment from the Government of Canada, since they are reneging on the agreement they made."

Last August the Federal and Ontario Governments agreed to give the troubled Chrysler company C$100m in loans and loan guarantees to finance the conversion of a V-8 engine plant to make diesel engines. The plant was shut down in 1980 because of reduced demand for energy-consuming engines.

The retooled plant was to be in production by 1984, and expected to employ eventually 1,160.

The assistance package was in addition to the C$150m in aid the governments agreed to advance Chrysler in January 1981, to finance the conversion of its main rear-wheel-drive plant to produce more fuel-efficient front-wheel-drive vehicles.

Over the Christmas holiday, Chrysler announced the postponement which it blamed on reduced demand for motor cars.

New York firmness gives Eurobond prices a boost

BY ALAN FRIEDMAN

PRICES OF fixed-interest Eurodollar bonds were marked ½ to ¾ point higher yesterday as dealers in Europe reacted to the positive performance of the New York bond market in recent days and further indications of declining dollar interest rates.

Much of the trading was among professionals, but there were signs of Swiss investors jumping in to make year-end purchases. The new $100m 11¼ per cent Commerzbank issue attracted a few buyers and the 20 per cent partly paid price closed at around 19 to 19½, up slightly on last week.

"I've been getting a few orders from Swiss investors who must be coming off the slopes at Zermatt and Verbier," commented one dealer in London.

In West Germany a DM 150m 10-year issue is on offer for the European Coal and Steel Community, as expected. The bonds carry a 7¾ per cent coupon at 99¾, yielding 7.58 per cent at issue price. Deutsche Bank is lead-manager.

Prices of Euro D-mark bonds were ¼ point higher last night and Swiss franc foreign bonds were marked up similarly as dealers noted the relative weakness of the U.S. dollar against the Swiss currency.

● Participants in the Euroclear bond clearing system have received a circular letter telling them that they are responsible for ensuring that securities which enter the system are authentic. This notice follows the recent discovery of forged F. G. Penney zero coupon bonds. Euroclear also reminds its members that it has a $300m insurance policy for those who fail to spot forgeries.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. Closing prices on December 29

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/87	150	108	109	+0	+0	11.54
Amex O/S Fin. 14½ 89	75	106	106	+0	+0	12.65
Amro Bank 15 89	200	104	105	+0	+0	11.95
BHP Finance 14⅝ 89	150	107	107	+2	+2	12.96
Bk. Amer. NT-SA 12 87	200	101	102	+0	+0	[illegible]
Bk. Montreal 14½ 87	100	105	106	+0	+0	12.88
British Col. Hyd. 14½ 89	200	109	109	+0	+0	[illegible]
British Col. Hyd. 15½ 92	150	113	113	+0	+0	12.73
Canada 14¾ 87	750	110	110	+1	+1	11.17
Canadair 12½ 89	175	103	103	+0	+0	11.77
Canadian Wheat 11¾ 90	50	98	98	+0	+0	11.52
Can. Pac. Sec. 14½ 92	75	106	106	+0	+0	13.31
Can. Pac. Sec. 15 89	75	106	106	+0	+0	13.49
Citicorp O/S 15 84/92	200	105	105	+0	+0	10.33
Coca Cola Int. 11½ 89	100	104	104	+0	+0	10.51
Credit Suisse 10½ 89	100	100	101	+0	+0	10.34
Deutsche Bk. F. 14½ 89	300	107	108	+0	+0	12.34
Du Pont 11½ 95	150	98	99	+0	+0	11.42
Du Pont 14¾ 89 WW	200	106	107	+0	+0	12.50
EDC 10¾ 85	100	97	98	+0	+0	11.25
EDF 12¾ 87	150	102	102	+0	+0	12.01
EIB 15½ 92	100	110	110	+0	+0	13.48
Eksportfinans 14½ 89	50	105	106	+0	+0	13.09
Exp. Dev. Cpn. 11¾ 87	100	101	101	+0	+0	11.34
Forsmarks 13¾ 92	75	103	103	+0	+0	13.07
Gaz de France 12¾ 93	175	19	19	+0	+0	12.33
Gen. Elec. Credit 12 89	100	105	105	+1	+1	10.81
Getty Oil Int. 14 89	125	107	107	+1	+1	12.19
GMAC O/S Fin. 15 87	100	107	107	+1	+1	12.57
GMAC O/S Fin. 15 89	125	107	107	+0	+0	13.17
Gulf Oil Fin. 12½ 87	300	103	104	+1	+1	11.16
IBM Wld. Trade 12¾ 92	200	105	105	+0	+0	11.31
Manitoba Prov. 11¾ 89	125	101	102	+0	+0	11.30
Manitoba Prov. 13¾ 89	100	105	106	+0	+0	12.23
Midland Int. F. 11½ 92	150	98	98	+0	+0	11.69
Nat. West. Fin. 11½ 92	750	100	100	+0	+0	11.65
New Brunswick 15¾ 87	75	108	108	+0	+0	12.46
Newfoundland 15½ 90	75	108	108	+0	+0	13.41
Nova Scotia Pr. 15¾ 89	75	111	111	+0	+0	12.53
Ontario Hydro 12¾ 92	200	104	104	+0	+0	11.93
Ontario Hydro 14¾ 89	150	109	109	+0	+0	12.42
Ontario Hydro 15 92	150	112	113	+0	+0	12.60
Phillips Petrol 14 89	200	106	106	+0	+0	12.42
Prudential O/S 12¾ 87	150	104	105	+0	+0	11.28
Quebec Hy. 11½ 92 (D)	100	97	98	+1	+1	11.87
R. J. Reynolds 12¼ 89	100	104	104	+1	+1	11.75
Saskatchewan P. 15 92	150	110	111	+0	+0	12.92
Shell Canada 14¼ 92	125	106	107	+0	+0	12.98
Superior O/S Fin. 14 89	125	106	107	+0	+0	12.37
Swed. Exp. Cr. 14¼ 90	100	105	106	+0	+0	13.29
Texas Eastern 15¾ 89	40	109	110	0	0	13.34
UBS 10¾ 87	200	102	103	+0	+0	9.90
UBS 11 89	150	103	103	+0	+0	10.31
Walt Disney Pr. 12½ 89	75	104	104	+0	+0	11.39
World Bank 10⅞ 90	200	97	97	+0	+0	11.38
World Bank 11½ 98	100	97	97	+0	+0	11.45
World Bank 13¾ 87	300	105	105	+0	+0	11.64

Average price changes... On day +0 on week +0

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¾ 92	80	100	101	+0	+0	8.14
Asian D. B. 8¼ 92	150	95	95	+0	+0	8.42
Asn. D. B. 9¾ 92 (Aug)	100	103	104	+0	+0	8.59
Australia 7¾ 92	200	104	104	+0	+0	7.09
Bayer Capital 7½ 89	150	100	101	+0	+0	7.43
Beecham Fin. 8½ 92	125	102	103	+0	+0	7.85
Black and Decker 9¼ 89	100	105	105	0	+0	8.06
Bowater Int. Fin. 8½ 89	50	102	102	+0	+0	8.00
Caisse Nat. Tels. 9½ 92	100	105	106	+0	+0	8.58
ECSC 8 94	200	101	102	+0	+0	7.76
EEC 8 94	200	101	101	+0	+0	7.80
EIB 8¼ 92	200	102	102	+0	+0	7.88
GKN 8½ 89	100	98	99	—	—	8.57
Gould Int. Fin. 8¼ 89	75	102	103	+0	+0	7.65
Ireland 8⅞ 91	150	97	98	+0	+0	9.24
[illegible]						

Average price changes... [illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

Average price changes... [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

Average price changes... [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col. Tel. 17¾ 88 C$	50	†112	113	0	0	13.56
Can. [illegible] 17 87 C$	35	†112	113	0	0	13.01
Gaz de France 15 89 C$	25	†103	104	0	0	14.03
Gaz Metro 17½ 90 C$	20	†109	109	0	0	[illegible]
OKB 16½ 88 C$	53	†108	109	0	0	13.73
Quebec Hyd. 14 92 C$	60	†106	107	0	0	12.74
[illegible] 87 C$	17	†103	104	0	0	15.16
EIB 12½ 90 ECU	60	103	104	+0	+0	12.09
Amfas 9½ 87 Fl	60	105	106	+2	+2	7.94
Amro Bank 9½ 87 Fl	100	107	108	+1	+2	7.53
Neder. Middbk. 9¾ 87 Fl	100	106	107	+1	+2	7.56
Nedlloyd Gp. 10¾ 87 Fl	75	108	108	+1	+2	8.05
Van Lanschot 10¾ 87 Fl	50	107	108	+0	+1	8.15
World Bank 10 87 Fl	150	108	108	+0	+1	7.65
OKB 14 86 FFr	400	96	97	+0	−0	15.12
Solvay et C. 14½ 86 FFr	200	96	97	0	−0	15.99
BFCE 14½ 87 £	30	105	105	+0	+0	12.53
BNP 13½ 91 £	15	102	102	+0	+0	13.06
CSGA 13¾ 86 £	20	102	103	+0	+0	12.74
CNT 12½ 89 £	20	99	100	+2	+1	12.44
Fin. For Ind. 12½ 88 £	30	101	102	+1	+1	11.85
F. Mat. Oranj. 13¾ 92 £	30	25	26	+0	+0	12.82
Gen. Elec. Co. 12¾ 89 £	50	102	105	+0	+0	11.88
Hiram Walker 14½ 86 £	25	104	105	−0	−0	12.16
Mort. Bk. Fin. 11½ 89 £	15	24	25	+1	+1	12.11
Norsk Hydro 14½ 87 £	30	105	106	+0	+0	12.50
Quebec 13½ 89 £	20	104	105	+0	+1	12.27
Quebec 15¼ 87 £	35	107	108	+1	+1	12.77
SDR France 15½ 92 £	30	105	106	+1	+0	14.28
SNCF 11½ 88 £	30	20	21	+0	+0	12.50
Tenneco Inc. 14¾ 87 £	30	104	105	+0	+0	13.28
World Bank 11½ 91 £	75	24	25	+0	+0	12.66
Eurofima 10½ 87 LuxFr	500	99	100	+0	+0	10.61
Europarat 12½ 92 LuxFr	500	104	105	0	−0	11.65

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¾ 92	0¼	98	98	15/4	10	10.91
Bk. of Tokyo 5¼ 91 (D)	0¼	99	100	10/6	9	9.77
Bk. Nova Scotia 5¼ 93	0¼	99	99	29/4	10	10.57
BFCE 5¼ 88	0¼	†99	100	28/4	10.69	10.71
BFCE 5¼ 87	0¼	99	99	27/1	14	14.05
Caisse Nat. Tels. 5¼ 90	0¼	98	99	21/4	10.56	10.62
CCCE 5¼ 2002	0¼	99	99	13/3	9	10.01
CEPME 5¼ 92	0¼	99	99	10/6	9.94	9.97
Chemical NY 5¼ 94	†0¼	99	100	23/3	8.94	9.96
Credit Agricole 5¼ 97	0¼	99	100	24/3	12	12.56
[illegible]						

Average price changes... [illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
[illegible]						
NKK 6½ 96	7/81	188	79	80	+0	16.35
Nippon Electric 5½ 97	2/82	804.2	121	122	+0	3.82
Olympus Optic. 6¼ 97	12/82	1731	108	110	+0	0.86
Orient Finance 5¼ 97	3/82	1205	116	117	+3	−1.79
Sanyo Electric 5 96	10/81	652	92	94	0	14.91
Sumitomo Elec. 5½ 97	3/82	677.2	94	95	+2	[illegible]
Sumitomo Met. 5¼ 96	10/81	296.1	70	72	+0	[illegible]
Olym. O. 4½ 92 SwFr	12/82	1334	109	110	−0	[illegible]
Konishiroku 6¾ 98 DM	6/82	816	116	118	+1	[illegible]
Mitsubishi H. 5 89 DM	2/82	263	106	108	+2	[illegible]
Sum Realty 6½ 92 DM	2/83	365	106	108	+1	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Bastogi agrees to bankers' debt plan

By Our Financial Staff

BASTOGI, the Italian financial group, has agreed a recovery plan with its 49 creditor banks. It will hive off its property interests into a new holding company, IGIM, and the banks' outstanding short-term credits to Bastogi will be partly converted into shares in the new company.

Bastogi shares have risen sharply in recent days on rumours that a deal with creditors was near to conclusion. Formerly one of Italy's most influential financial holding companies, the company last year pulled out of direct industrial operations after suffering big losses which were mainly attributable to its holdings in Montedison.

IGIM's capital will comprise 80m Privileged shares which will be subscribed entirely by the creditor banks. A further 162.3m Ordinary shares will be issued, about half of which will be used to write-off L54.1bn ($39m) of short-term debt.

Bastogi's remaining short-term debt, which has been calculated at L54bn, will be consolidated for five years, subject to interest payments fluctuating from 5 to 10 per cent.

Bastogi will also increase its own capital by L46bn, half of which is to be financed by the company's present shareholders. A further L15bn will be financed by the creditor banks, while the remaining L8bn will be funded by a bond issue.

Ferro alloys producers in Norway open merger talks

BY FAY GJESTER IN OSLO

FIVE of the six Norwegian companies making ferro alloys have begun merger talks. They aim to group their plants in a new company in order to improve profitability, rationalise marketing and generally strengthen the position of the Norwegian industry on the international market.

The industry, which supplies nearly one-fifth of world demand of ferro alloys, has been hard hit by weak world demand. Over the past year, it has been operating at only about 60 per cent of capacity, and expects to make a loss of between NKr 200m ($28m) to NKr 300m in 1982.

The non-ferro alloy operations of the five companies will retain their separate identities.

The companies control 11 ferro alloy plants with a total of 3,500 employees, and annual turnover of around NKr 2bn. The largest of them, Elkem, controls six plants. Of the others, Ila og Lilleby has two smelters in the Trondheim area.

The sixth Norwegian producer of ferro alloys, Tinfos Jernverk, has been invited to join the new grouping, although it was not asked to participate in the preliminary talks.

Tinfos' managing director, Ole Holta, said his company would study the plan, but indicated that it would have liked to have been consulted at an earlier stage.

The first official reactions have been positive. Deputy Industry Minister Arnulf Ingebrigtsen said the Government had been told about the scheme just before Christmas and had not yet studied it in detail, but it appeared "interesting."

By grouping all Norwegian ferro alloys producers in a single unit, the Norwegian industry could counter complaints by European competitors (to the EEC Commission) that Norwegian companies have bee: dumping cheap ferro alloys on the EEC market.

The Europeans accuse the Norwegians of dumping. If the companies become part of one unit, they can presumably no longer be accused of price-fixing.

Leif Høegh gloomy on outlook

BY OUR OSLO CORRESPONDENT

LEIF HØEGH, a firm which acts as management company for one of Norway's leading shipping groups, is pessimistic about the outlook for 1983.

In a report on developments this year, it foresees no improvement in the group's operating result for the coming twelve months, "even with increased capital commitment in new buildings, rationalisation and cost reductions on ship running and administration expense."

Operating income for 1982, before extraordinary items, depreciation and net interest charges, is put at NKr 490m ($69.2m) about NKr 11m up on 1981.

Since, however, average capital invested was higher this year than last – because of new vessel deliveries – the return on capital was actually lower than last year and not enough "to cover capital costs for all companies and investors" in the group.

Gross freight earnings were about NKr 3bn, unchanged from a year earlier.

While the year now ending was difficult for tankers, bulk carriers and gas tonnage, a considerable part of the fleet continued to operate profitably, "in particular the car carriers, part of the liner trades, and the fleet of forest product carriers, which is secured long-term employment at profitable rates.".

The liquidity of the ship-holding companies in the group is described as "satisfactory."

The fleet managed by Leif Høegh comprises 52 vessels totalling 2.4m dwt. Seven of them, totalling 200,000 dwt, are chartered for more than 12 months, and several others are chartered on a voyage basis or for periods of up to 12 months.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS

PER DECEMBER 28 1982

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	12 26	12 42	15 62	12.41
DM (Foreign Bond Issues)	7 58	7 67	9 75	7 66
HFL (Bearer Notes)	8 07	8 20	10 68	8.18
Can$ Eurobonds	13 55	13 61	17 47	13 61

J. Vontobel & Co. Bankers, Zurich • Tel: 01-488 7111

UK COMPANY NEWS

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Last	Jun. Vol.	Last	Sep. Vol.	Last	Stock
D/FL C	F.260	–	–	4	1.90	–	–	F.262.40
D/FL P	F.265	5	0.40	5	13.50	–	–	"
D/FL P	F.275	15	16	–	–	–	–	"
D/FL P	F.280	1	21	–	–	–	–	"
		Feb.		May		Aug.		
GOLD C	$425	6	42	4	66 B	4	84	$461
GOLD C	$450	36	27.90	45	46	–	–	"
GOLD C	$475	31	18	22	35	3	49	"
GOLD C	$500	8	10	35	24	–	–	"
GOLD C	$550	1	2.50	15	14	–	–	"
GOLD P	$350	3	0.40	–	–	–	–	"
GOLD P	$375	21	1	–	–	–	–	"
GOLD P	$400	2	3 A	10	6	10	10.50 B	"
GOLD P	$425	25	5	20	12	5	21.50	"
GOLD P	$450	3	13	4	23	–	–	"
GOLD P	$475	10	31	–	–	–	–	"
12¾ NL 81 87-91								
C	F.122.50	9	9.50	–	–	–	–	F.132
C	F.125	57	6.60	65	7.20	–	–	"
C	F.127.50	5	4.70	19	5.70	–	–	"
C	F.130	–	–	10	4.20	–	–	"
P	F.132.50	–	–	20	0.70	–	–	"
10¼ NL 80 86-95								
C	F.112.50	–	–	21	4	–	–	F.114.50
C	F.115	–	–	5	2.50	–	–	"
11¼ NL 82 88-92								
C	F.112.50	10	5	–	–	–	–	F.117.10
C	F.117.50	90	1.90	40	2.70	–	–	"
10½ NL 82 86-89								
C	F.107.50	67	3.50	–	–	–	–	F.110.60
10 NL 82-11 86-89								
C	F.107.50	–	–	515	4.30	–	–	F.111.10
7¾ NL 82 89-93								
C	F.100	60	2	–	–	–	–	F.100.90
C	F.102.50	10	1.40	–	–	–	–	"
P	F.102.50	–	–	10	3.50	–	–	"
		Jan.		April		July		
ABN C	F.300	–	–	20	14	–	–	F.302
ABN P	F.320	–	–	10	0.50	–	–	"
AKZO C	F.27.50	140	8.10	–	–	20	3.20	F.35.50
AKZO C	F.35	–	–	–	–	–	–	"
AKZO P	F.32.50	–	–	59	1.60	–	–	"
AKZO P	F.35	–	–	30	3	–	–	"
AMRO C	F.45	–	–	29	5.50	–	–	F.47.40
AMRO P	F.50	–	–	20	3.30	–	–	"
GIST C	F.100	21	19	–	–	–	–	F.116.50
GIST C	F.110	–	–	31	10.50	–	–	"
GIST C	F.180	–	–	20	5.50	–	–	"
GIST P	F.90	–	–	–	–	15	1	"
GIST P	F.100	16	0.50	–	–	–	–	"
HEIN C	F.90	16	4.50	–	–	–	–	F.92.40
HEIN C	F.100	–	–	52	4.10	–	–	"
HEIN P	F.85	–	–	12	3	22	1.50	"
HOOG C	F.15	–	–	–	–	–	–	F.15
HOOG P	F.12.50	50	0.50	–	–	–	–	"
KLM C	F.100	12	33.50	42	40	–	–	F.133.50
KLM C	F.110	14	25.10 B	15	31	–	–	"
KLM C	F.120	21	17 B	–	–	–	–	"
KLM C	F.140	58	6.50 B	16	14	–	–	"
KLM C	F.150	16	3.30 B	–	–	–	–	"
KLM P	F.90	30	0.30	21	2.70	–	–	"
KLM P	F.100	15	0.70	64	3.50	–	–	"
KLM P	F.110	21	1	15	6.30	–	–	"
KLM P	F.120	43	2.20	16	10.30	–	–	"
KLM P	F.130	16	6.20	–	–	–	–	"
KLM P	F.140	15	11.50 A	18	18.50 B	–	–	"
NEDL P	F.100	–	–	30	6	–	–	F.104
NEDL P	F.110	15	6.50	–	–	–	–	"
NATN C	F.130	33	1.20	57	3.60	2	6	F.125
PHIL C	F.27.50	39	0.60	39	2	–	–	F.27.40
PHIL C	F.30	–	–	124	1	64	1.80	"
PHIL P	F.27.50	–	–	3	1.30	10	2.30	"
RD C	F.90	80	5	18	7	14	8	F.94
RD C	F.100	137	1	215	3.80	5	4.30	"
RD P	F.80	–	–	16	0.60	12	1.50	"
RD P	F.90	27	2.10	110	3.30	3	5 A	"
RD P	F.100	1	7.50	16	8.50	–	–	"
UNIL P	F.180	–	–	82	5.50	–	–	F.192.50
		Feb.		May		Aug.		
MANN C	DM.150	11	3.50	–	–	–	–	DM144
VEBA C	DM.140	–	–	20	6	–	–	DM138.30

TOTAL VOLUME IN CONTRACTS 3747

A=Asked B=Bid C=Call P=Put

Stock costs hit R. Smallshaw

ALTHOUGH demand at R. Smallshaw (Knitwear) increased during the autumn, enabling stocks to be reduced, the directors say *that the high cost of financing* the extra stock resulted in only slightly higher profits. The taxable surplus rose from £153,000 to £165,000 for the 12 months to September 30, 1982.

The *total* value of goods on order is lower than 12 months ago, and major contract customers have indicated that their orders for 1983 may be reduced. The directors say that the *changed financial year end—to* December—should help in obtaining a clearer view of the prospects for 1983.

Turnover of this manufacturer of knitted outerwear moved ahead from £5.81m to £6.79m.

At the halfway stage pre-tax profits dipped from £110,000 to £102,000 and the directors said that after improved sales in the first three months, demand had gradually declined and stocks were high. They did not expect the profits for the 15 month period to show any significant increase over the profit for the year scaled up by three months.

The second net interim dividend has been declared at 0.5p, payable January 25, which leaves *the total for the 12 month period* down from 1.75p to 1p.

Tax for the period rose from £80,000 to £86,000.

W. E. Norton remains in loss as business falls

WITH TURNOVER falling from £4m to £3.5m pre-tax losses of machine tool merchant W. E. Norton (Holdings) increased by £33,000 to £285,000 for the six months ended September 30 1982.

The figures were struck after allowing for lower interest charges of £116,000, compared with £166,000

There is again no interim dividend—the last payment was 0.4p net for the 1979-80 year.

In his interim report Mr W. E. Norton, the chairman, says that in view of the continuing low level of business in the UK, the board has made "further drastic economies" in administration and personnel amounting to approximately £200,000 a year. He adds that these savings will be reflected in future trading.

Mr Norton points out that the majority of the group's suppliers are giving substantial backing and Norton is, therefore, "in a good position to improve the *trading pattern imediately there* is a return of confidence in the outlook for the engineering industry."

Meanwhile the board is actively pursuing other avenues for the employment of the resources and shareholders will be advised as soon as any of the current plans are at a more advanced stage.

In his last annual statement Mr Norton said that actions taken in the early part of the 1981-82 year had been effective in containing operating costs in the second half of that year—pre-tax losses for the 12 months totalled £457,187.

He added that liquidity had improved appreciably and efforts to continue this were continuing although the group remained dependent on its bankers' continued support to see it through the prolonged recession.

The chairman revealed that although the group had substantial order prospects for machine tools sales of these had to be secured against intense competition and often on low margins.

CARAVANS INTL.

The receiver of Caravans International has accepted an offer, subject to contract, for the sale of H. Burden to its present management.

G. Kynoch cuts rate of loss in second half

A REDUCED loss has been sustained by G. and G. Kynoch in the second half of the year ended August 31 1982 as expected. The loss came to £116,600 to give a total of £334,000 for the full year, compared with a profit of £26,000 for 1980-81. There is no dividend, against 1p per 25p share paid last time.

Sales for the year fell from £1.86m to £1.55m. The loss was struck after charging this time an exceptional loss of £110,000 and increased interest of £54,000 *(£5,000)*.

The directors state that the significant erosion of the company's traditional turnover base of woollen overcoatings, particularly in Europe, has resulted in *a reduction of over 30 per cent* from the previous year's activity level.

The continuing expansion of the product range and penetration of new overseas markets has *shown encouraging* signs of counteracting the trend, but progress has been slowed by the world recession and relative strength of sterling.

Further to this, they decided to maintain the business in substantially its existing form throughout the year so that it could service the anticipated recovery in level of activity. The under-recovery of fixed costs incurred by pursuing this policy has been shown as the exceptional charge.

A further examination of the company's costs resulted in a management reorganisation in October, and provision for redundancy costs have been made in an extraordinary charge of £26,000.

Loss per share is shown at 57.2p (earnings 2.3p) after a tax credit of £3,000 (charge £5,000) and the extraordinary debit £26,000 (credit £11,000).

At August 31 the properties were revalued and this threw up a surplus of £397,786 which has been taken to reserves. Net asset value per ordinary share is stated at £1.50, compared with £1.45 a year earlier.

The current year, the directors claim, has shown a more encouraging start with an improved sample order book.

MELLINS/PAULA LEE

Mellins has acquired the trading assets and goodwill of the children's wear division of Paula Lee from the joint receivers of Paula Lee, a subsidiary of R and J Pullman. Paula Lee is almost entirely a marketing and export company, and the assets consist almost entirely of stock, work-in-progress and orders in hand.

Paula Lee has been acquired at a cost, excluding expenses, of £156,000, satisfied by the issue of 193,000 ordinary shares at 75p which have been placed with clients of Laing and Cruickshank and the remainder in cash.

MARCHWIEL/FINLAS

Acceptances of the Marchwiel offers for Finlas have been received in respect of 7,268,143 new ordinary shares, and the same number of deferred shares (99.8 per cent of the shares for which the ordinary offers were made).

ASSOCIATE DEAL

Kitcat and Aitken, as associates of Mr J. R. Marque, have purchased a total of 20,000 ordinary shares in Ciro at 95p.

SHARE STAKES

Owen Owen—Mr J. A. H. Norman, chairman and joint managing director, has transferred 21,565 ordinary shares from a trust holding with no beneficial interest.

Hargreaves Group—Mr David A. E. R. Peake, chairman, has notified that the holding of 10,103 ordinary shares which were held in trust for Mr Charles de Lisle by Mr Richard Steel and himself as trustees, were transferred out of this trust.

LADBROKE INDEX
592-597 (+4)

Ibstock says deficit will be 'worse than forecast'

Ibstock Johnsen, the Leicestershire brick-maker which is subject to a £27m agreed bid from **London Brick**, yesterday forecast a pre-tax loss of £1.5m in the *year ending December 31*, compared with a 1981 profit of £175,000.

This loss is greater than the company foreshadowed in its interim statement made on *October 21, the chairman*, Mr Paul Hyde-Thomson, acknowledged in the merger document.

The group's overall trading performance was much in line with expectations, but the current weakness of sterling against the dollar and the guilder will increase, in sterling terms, IJ's losses in the U.S. and the Netherlands, he said.

In October, IJ announced a first-half loss of £1.27m but said it expected a better second half, with some improvement on the 1981 second-half profit of £162,000.

IJ's UK brick division is expected to show a significant profit increase in 1982. The U.S. brick division will have a better second half than its first, but will still show a loss in both periods due primarily to the company's policy of cutting production to reduce stocks.

Demand in the Netherlands has remained weak; prices have deteriorated further and second-half losses will be significant, IJ said.

Talks between Dutch brickmakers, aimed at cutting capacity by 1bn bricks to 1.5bn annually, are well advanced, but IJ is also considering other alternatives for its Dutch operations.

It expects to announce the measures it proposes taking in the first few months of 1983. Agreement must be reached by December 31 by manufacturers representing at least 85 per cent of Dutch capacity. IJ has already shut two of its six Dutch plants.

The estimated book value of assets, excluding borrowings, in the Netherlands and one factory now being rebuilt after a fire in south-east Belgium, is about Fl 46m (£10.7m). This figure has been calculated after the write-down earlier this year of Fl 4.7m reflecting the closure of the two factories.

In the U.S., IJ is not yet well established because of the building industry recession but steady, if slow, progress is being made in increasing market penetration.

The current level of net group borrowings remains relatively high and the likely rate of reduction will be slow, IJ said. This is bound to somewhat restrain growth, it added.

The London Brick offer is at a considerable discount to net asset value, but the IJ board feels it fairly reflects the future prospects of the company.

The first closing date for the offer is January 17. London Brick has offered three stock units plus 20p cash for every four existing IJ ordinary shares. A cash alternative of 107p is available for 70.7m shares or at least half each shareholding.

Ansbacher acquires Lazarus

Henry Ansbacher Holdings, the merchant bank, has acquired **Leopold Lazarus (Metal Brokers)**, *a ring dealing member of* the London Metal Exchange, in a deal worth £2.9m.

In another move designed to develop the group as a trade related financial services organisation, Ansbacher has acquired 25 per cent of Seascope Offshore not already owned by it in a deal worth £750,000.

Ansbacher also plans to introduce a profit sharing scheme for employees, a share option scheme for senior executives, and consolidate its present shares with a nominal value of 5p each into shares with a nominal value *of 50p each*.

Leopold Lazarus is a subsidiary of Metall und Rohstoff A.G., a member of the Lissauer group of companies which owns 21.6 per cent of Ansbacher's shares.

Ansbacher, in a circular to shareholders, says that the acquisition of Leopold Lazarus is regarded as "an important strengthening of the relationship between Ansbacher and the Lissauer Group and an opportunity to expand further our areas of mutual interest."

The consideration for the deal will be the issue to Metall und Rohstoff of 14m new ordinary shares of Ansbacher of 5p each, plus a cash paymeet of about £1.5m.

In the circular to members, who are to meet to approve the deals at an extraordinary general meeting on January 18, Ansbacher says that Seascope Offshore's contacts and expertise can make a significant contribution to the development of the group in the field of international energy related finance, an area in which the bank aims to develop a specific expertise.

Ansbacher believes it is the appropriate time to acquire the minority shareholding in Seascope Offshore.

Seascope Offshore was incorporated in 1978 with Seascope Holdings owning 75 per cent of the shares and three executives of Seascope Offshore owning the remaining 25 per cent. Seascope Holdings was acquired by Ansbacher in April this year.

In the ten months ending March 31 1982 Seascope Offshore made pre-tax profits of £254,000.

At the extraordinary general meeting, shareholders will also be asked to approve the adoption of new articles of association which will reflect current legislation and practice, and the increase of the company's authorised share capital.

Public Works Loan Board rates

Effective December 22

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
Up to 3	11	11½	11¾	12⅝	12⅞	12¼
Over 3, up to 4	11¼	11½	11½	12⅝	12⅜	12¼
Over 4, up to 5	11⅝	11¾	11½	12⅝	12⅜	12¼
Over 5, up to 6	11⅞	11⅞	11⅞	12	12¼	12⅞
Over 6, up to 7	11¼	11½	11⅞	12	12¼	12⅞
Over 7, up to 8	11⅜	11½	11⅞	12	12¼	12⅞
Over 8, up to 9	11½	11¾	12	12	12⅜	12⅞
Over 9, up to 10	11½	11¾	11⅞	12	12¼	12⅞
Over 10, up to 15	11⅞	11⅞	11¾	12⅛	12⅜	12¼
Over 15, up to 25	11⅞	11¾	11⅞	12¼	12¼	12¼
Over 25	11⅝	11⅝	11⅞	12¼	12¼	12⅛

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:— David Dixon, Stoddard.

Final: Vecta Stone.

FUTURE DATES

Interims:—

Dixons ... Jan 2
Firth Lovell ... Jan 2
James (Maurice) Industries ... Jan
Magnet and Southerns ... Jan 1
Scottish, English Euro. Textiles ... Jan 2
TSB Gilt Fund ... Jan

Finals:—

Allied Textile ... Jan 3
Associated Newspapers ... †Jan 1
Birmingham Pallet ... Jan

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs
1981							
4th qtr.	101.0	89.6	90	105.4	168.5	2,609	104
1982							
1st qtr.	100.6	89.3	92	106.6	141.3	2,679	11[illegible]
2nd qtr.	101.1	88.9	88	106.2	145.4	2,743	10[illegible]
3rd qtr.	101.7	88.4	84	108.7	151.0	2,837	111
February	100.7	89.7	94	106.1	137.6	2,680	113
March	101.1	89.8	87	106.6	142.3	2,688	111
April	101.3	89.1	96	105.9	146.1	2,715	110
May	101.5	89.4	94	105.9	145.4	2,740	107
June	100.4	88.0	75	106.8	144.8	2,773	105
July	101.5	88.3	82	107.6	152.2	2,814	111
August	101.5	88.4	84	109.2	156.9	2,832	114
September	101.9	88.6	86	109.1	150.1	2,866	107
October	101.5	87.9		109.2	158.8	2,885	114
November				109.5		2,903	114

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg starts*
1981							
4th qtr.	93.3	89.3	122.9	85.8	82.3	75.6	11.6
1982							
1st qtr.	92.4	90.8	121.0	86.3	80.6	73.9	14.7
2nd qtr.	91.8	91.6	122.0	86.5	77.3	72.1	17.5
3rd qtr.	91.4	91.4	122.6	86.5	71.8	71.7	17.7
February	93.0	91.0	121.0	86.0	82.0	75.0	15.2
March	93.0	92.0	122.0	87.0	79.0	73.0	17.5
April	92.0	92.0	123.0	86.0	80.0	74.0	17.1
May	93.0	92.0	122.0	87.0	79.0	73.0	17.7
June	91.0	92.0	121.0	86.0	72.0	69.0	17.6
July	91.0	92.0	123.0	86.0	72.0	71.0	17.3
August	91.0	91.0	122.0	87.0	71.0	70.0	16.5
September	92.0	92.0	123.0	87.0	72.0	74.0	19.8
October	93.0	90.0	122.0	86.0	69.0	73.0	15.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1981							
4th qtr.	132.0	125.7	+490	+1,463	+696	99.2	23.35
1982							
1st qtr.	125.3	122.5	+323	+720	+707	101.4	18.97
2nd qtr.	130.7	129.1	+103	+887	+882	101.1	17.70
3rd qtr.	124.5	125.5	+368	+968	+1,258	100.6	18.30
February	124.3	120.2	+177	+309	+289	100.7	23.37
March	122.7	124.5	+260	+392	+231	101.3	18.97
April	133.7	128.5	+224	+485	+406	101.4	18.16
May	132.0	134.0	−115	+148	+314	100.9	17.82
June	126.4	124.8	− 7	+254	+162	101.0	17.70
July	125.7	124.0	+166	+366	+401	100.5	17.94
August	117.6	124.3	− 37	+163	+484	101.5	18.11
September	130.3	128.2	+239	+439	+373	99.9	18.30
October	127.4	124.9	+259	+459	+496	98.7	18.50
November							18.00

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
4th qtr.				+2,365	451	2,081	—
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,583	1,344	2,188	
3rd qtr.	15.2	12.6	28.3	+4,851	1,796	2,399	
February	8.0	6.9	17.1	+1,131	347	698	
March	3.7	7.2	24.5	+1,206	264	794	
April	− 3.3	4.8	26.2	+1,548	437	728	
May	− 0.5	9.5	26.8	+1,684	478	710	
June	10.7	10.2	25.8	+1,251	429	750	
July	14.2	11.3	29.4	+1,370	691	898	
August	17.5	12.3	26.6	+2,035	437	856	
September	14.2	14.0	28.8	+1,440	668	845	
October	24.0	18.2	32.4	+2,866	886	800	
November	17.4	12.2	25.4	+1,261	763		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
1982							
1st qtr.	216.9	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.	227.8	244.9	242.0	323.0	297.0	228.88	91.4
February	217.0	240.1	234.4	310.7	297.2	241.77	91.5
March	219.7	235.7	235.5	313.4	299.8	242.40	90.8
April	219.6	239.2	237.0	319.7	302.6	246.84	90.0
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.3	245.0	241.0	323.0	299.5	229.51	91.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	226.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.4	245.1	324.5	296.5	227.18	92.5
November		251.6	246.4	326.1	298.8	228.03	89.5

* Not seasonally adjusted.

MINING NEWS

Gencor increases Oakbridge stake

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S General Mining Union Corporation group (Gencor) has increased its stake in the Australian Oakbridge coal and tin mining and industrial company by 10 per cent to 12.4 per cent.

This has been achieved by the purchase of 8m shares for A$14m (£8.5m) or A$1.75 (106p) each. They are currently around 75p in London.

Disclosing the deal Mr Grahame Mapp, the Oakbridge chairman, said that Gencor had bought the shares from his family's holding and this is now reduced to about 9.5 per cent.

Thanks to higher coal sales operating profits of Oakbridge in the year to last June rose to A$17m from A$12m in the previous 12 months.

But because of a sharply increased tax charge, arising out of the fall in past accumulated tax losses, coupled with a lower investment allowance, net operating profits came out at A$10.1m, or 11.6 cents per share against A$9.3m in 1980-81.

A final dividend of 3.5 cents made a year's total of 7 cents compared with 6.5 cents

* * *

Australia's BH South mining and investment concern announces that chartered accountants Ernst and Whinney have been appointed to carry out a valuation of the company's assets arising out of the proposal to wind up the company by the parent Western Mining Corporation. The valuation is expected to be competed by the end of January to enable the extraordinary meeting to consider the proposals to be held in February.

* * *

The Alan Bond group's Endeavour Resources, which controls Northern Mining, says that the latter's 5 per cent share of the rough diamond output from the new Argyle mine in Western Australia will be marketed through the Antwerp diamond merchanting firm of Arslanian Freres.

Unchanged interim from Johnnies

THE SHARES of South Africa's Johannesburg Consolidated Investment ("Johnnies") mining and industrial group jumped £2½ to £52½, the highest level so far this year, in London yesterday after the announcement of an unchanged interim dividend.

The latest payment is 130 cents (75p). Last year's final was 470 cents, for a total of 600 cents.

First-half results from Johnnies are not expected for a couple of months or so, but the group has clearly done well enough in the latest six months to permit the declaration of an unchanged payment.

The major sources of income for the group have traditionally been gold, platinum and diamonds, and the price rises for the first two in recent months have obviously been extremely beneficial.

Two insurance companies raise terminal rates

UNCHANGED reversionary bonus rates for 1982 have been declared by two major life companies, Sun Life Assurance and Scottish Equitable Life Assurance Society.

Both, however, have substantially increased their terminal bonus rates paid on death or maturity claims arising in 1983 for life contracts and on pension contracts which vest during 1983.

Sun Life has lifted the terminal bonus rate on its main life contracts from 20 per cent to 30 per cent of attaching bonuses, while on its flexible endowments the increase is from 7½ per cent to 20 per cent.

The rate on personal pension and executive pension plans is lifted from 25 per cent to 40 per cent of attaching bonuses. There are higher rates for the old simple bonus life series and group pension contracts.

Mr Peter Bairstow, chief actuary of Sun Life, said that there had been exceptional capital appreciation in 1982 arising from the fall in interest rates. The company has increased terminal bonus payments to reflect this rise.

Mr Bairstow warned, however, that lower rates of interest over any sustained period would lead to lower monetary returns, either from lower bonus rates or higher premiums. But this would not necessarily reduce the return to policyholders in real terms.

Scottish Equitable has increased terminal bonus rates on life contracts from 25 per cent to 35 per cent of attaching bonuses, while on pension contracts the increase is from 25 per cent to 60 per cent.

Greenbank interested in Spanish sports complex

Greenbank Trust confirmed yesterday that it is negotiating the purchase of a 2,000 acre sports complex in southern Spain.

The company's shares were suspended at 135p in October pending what was then described as "a property investment acquisition."

Mr Gerald Kelly, chairman of Greenbank, said he had made a direct offer just before Christmas for the complex at Turre, Almeria, and that he hoped to reach an agreement this week.

Greenbank revealed details of the proposed Spanish purchase following the release of a statement by Mr Pablo Polansky, an American businessman, who said he represented the interests of the vendor, *Promociones Agua Amarga of Almeria.*

Mr Polansky claimed that Sturla Holdings, the Liverpool-based finance group which earlier this year announced, and then dropped, plans for a merger with Greenbank, had negotiated an agreement to pay £4.4m for Promociones by October 2.

Sturla and an associate company, Closemere, made payments of over £700,000 before passing on the contract to Greenbank and a further £300,000 to twice extend the completion date, Mr Polansky said in his statement.

Mr Kelly said that £4.4m was "not the figure I am talking about."

The sports complex comprises an 18-hole championship length golf course, a residential housing estate, clay shooting grounds and a private airport, Mr Polansky said.

LONDON TRADED OPTIONS

December 29 Total Contracts 1,041 Calls 920 Puts 121

Option	Ex'cise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity Close
BP (c)	280	28	10	44	—	—	—	300p
BP (c)	350	14	60	28	1	42	—	"
BP (p)	330	3	3	16	1	30	17	"
BP (p)	360	1	35	6	—	15	—	"
CU (c)	150	4	3	8	—	13	—	127p
CU (c)	140	1½	—	5	5	6	—	"
Cons. Gld (c)	420	67	7	80	—	94	—	477p
Cons. Gld (c)	500	9	10	33	20	—	—	"
Cons. Gld (p)	420	4	1	12	—	20	—	"
Cons Gld. (p)	460	14	16	28	4	37	—	"
Ctlds. (c)	70	5	2	9	—	11	—	73p
GEC (c)	187	27	2	—	—	—	—	208p
GEC (c)	217	8	—	20	1	—	—	"
GEC (c)	237	2	2	10	—	—	—	"
GEC (p)	197	8	6	11	—	—	—	"
Gr'd Met. (c)	214	118	2	—	—	—	—	331p
Gr'd Met. (c)	220	112	3	—	—	—	—	"
Gr'd Met. (c)	240	92	2	95	—	—	—	"
Gr'd Met. (c)	280	52	26	55	—	59	—	"
Gr'd Met. (c)	300	32	85	38	29	42	—	"
G'rd Met. (c)	330	10	10	19	21	26	—	"
Gr'd Met. (p)	280	—	—	—	6	—	—	"
Gr'd Met. (p)	300	2	—	8	—	12	10	"
Gr'd Met. (p)	330	12	10	19	—	24	—	"
ICI (c)	300	68	1	60	—	68	1	350p
ICI (c)	330	35	4	32	7	40	1	"
ICI (c)	360	8	1	18	—	28	3	"
Land Sec. (c)	260	25	4	31	1	39	—	280p
Land Sec. (c)	280	8	6	20	2	26	—	"
Land Sec. (c)	300	2	—	9	5	—	—	"
Land Sec. (p)	260	3	2	7	—	11	—	"
Land Sec. (p)	280	8	3	12	—	16	—	"
Mks & Sp. (c)	200	24	—	30	10	36	—	222p
Mks & Sp. (c)	220	11	20	20	24	25	—	"
Mks & Sp. (c)	240	3	—	10	3	14	—	"
Mks & Sp. (p)	220	8	5	12	—	17	—	"
Mks & Sp. (p)	240	22	—	27	5	32	—	"
Shell (p)	420	13	5	26	—	38	—	420p
		February		May		August		
Imperial (c)	120	7	—	10	7	15	—	117p
Lasmo (c)	280	37	1	52	—	65	—	294p
Lasmo (c)	300	20	4	40	—	50	—	"
Lasmo (c)	330	13	7	25	5	38	—	"
Lonrho (c)	80	18	20	20	—	22	—	95p
Lonrho (c)	90	9½	195	11	8	14	53	"
Lonrho (c)	100	3½	20	6½	10	7½	46	"
Lonrho (p)	90	3	1	6½	—	8	20	"
P & O (p)	100	4	—	6	—	9	2	103p
P & O (p)	120	19	—	22	—	24	3	"
Racal (c)	550	47	7	65	—	85	—	589p
Racal (p)	550	14	6	27	1	40	—	"
Racal (p)	600	30	—	48	—	68	1	"
RTZ (c)	460	20	—	42	4	47	—	447p
RTZ (c)	500	8	—	22	4	—	—	"
RTZ (p)	420	12	4	27	—	37	—	"
RTZ (p)	500	64	4	72	—	—	—	"
Vaal Rfs. (c)	70	43½	15	44	—	46	—	$113
Vaal Rfs. (c)	90	25½	12	26½	35	31	—	"
Vaal Rfs. (c)	100	14½	6	19½	3	24	—	"
Vaal Rfs. (c)	110	9	14	15½	40	19¼	11	"
Vaal Rfs. (p)	90	1½	1	3	—	5	—	"
Vaal Rfs. (p)	100	2½	20	6¼	—	8½	—	"

C=Call P=Put

COMMODITIES AND AGRICULTURE

Nickel mine to be re-opened

FALCONBRIDGE, nickel producer, plans to resume production in Sudbury, Ontario, following a six-month shutdown.

The lack of a new collective bargaining agreement with the Mine, Mill and Smelter Workers' Union could jeopardise the startup, the company said.

However, it is to continue bargaining with the union, which represents 1,850 of its workers, and said it would abide by the terms of the old agreement if a new pact is not reached by January 2.

● ZAIRE'S manganese output will reach just over 4,000 tonnes this year, sharply down from last year's 30,757 tonnes, sources at SMK (Ste Miniere De Kisenge) said.

The drop was partly because of large stocks of ready-for-export manganese in Zaire, which had reached 560,000 tonnes, the sources added.

● THE SOVIET UNION has bought an additional 200,000 tonnes of U.S. wheat for delivery up to September 30 next year, the U.S. Agriculture Department said The sales bring total Soviet purchases to 5.2m tonnes.

● TAIWAN'S cotton imports exceeded 1.26m bales (500 kilos per bale) in the first 11 months of this year, up sharply from 860,258 bales imported last year, the Taiwan Cotton Spinners Association reported.

Its rice exports this year more than trebled last year's to about 500,000 tonnes, the Provincial Food Bureau said.

● BRAZIL'S cotton crop for 1982-83 is forecast at 700,000 tonnes compared with a revised 640,000 in 1981-82, the U.S. Agriculture Department said.

● PALLADIUM was fixed at $101 an ounce, up $9.50 from Friday and its highest since June 1981, dealers said.

The market was quiet but still

Copper reaches 15-month high

COPPER PRICES rose to the highest level for 15 months on the London Metal Exchange yesterday, in spite of another hefty increase in warehouse stocks.

The high grade cash price closed £16.75 up at £942.5 a tonne *and the three months* quotation was £18.75 higher at £968.25.

The rise in London prices followed a sharp upturn in the New York market after the Christmas holiday closure and the firm trend in gold, which *gained $14 to $462 an ounce.*

At the same time, speculative buying interest was stimulated by the cut in U.S. interest rates and optimism about improved demand developing in key sectors, notably the automobile and construction industries.

News of the unexpectedly large increase in warehouse stocks caused a temporary setback in the upward trend. However, dealers were at pains to point out that the rise in LME stocks is basically merely a transfer, primarily from the U.S., of surplus holdings from one place to another.

Stocks are coming to London as a result of the high premium for cash metal some weeks ago. The latest increase, of 14,950 tonnes, raises total holdings in the LME warehouses to 244,350 tonnes—the highest level since April 1979.

It is the 12th consecutive weekly increase in stocks, which have risen by more than 100,000 tonnes since early October.

Other metal markets were generally subdued, although lead and zinc followed the stronger trend in copper. Aluminium stocks rose by 1,600 to 236,775 tonnes; lead by 330 to 126,000; nickel by 852 to 5,892; tin by 465, to 33,435; and silver holdings by 70,000 to 35,040,000 ounces. Zinc stocks fell by 675 to 93,575 tonnes.

India's tea exports down

BY P. C. MAHAUTI, IN CALCUTTA

INDIA's tea exports over the first 10 months of this year were about 26 per cent lower than exports in the same period last year.

Tea exports up to October totalled 143.3m kilos, compared with 193.5m in 1981.

Industrial analysts attribute the sharp fall in exports to two main factors: first, a lower Indian tea output; and second, the weakness of sterling which reduces the exporters' rupee significantly.

The Indian tea crop up to the end of October, totalled 472.5m kilos—a drop of 12m kilos from the previous year's 484.5m kilos.

November's crop is stated to be better than normal, but market circles do not expect that the entire deficit of 12m kilos has been made up.

The crop for this year is now estimated at 545m kils. A shortage of tea is feared in the coming months, both for the domestic market and for exports.

However, the Indian Tea Association, the country's leading trade organisation for the tea industry, proposes to devote a lot of attention to the promotion of tea in the internal market next year.

The consultancy company which was commissioned to survey various regional markets within the country has submitted its report to the association. The report will be one of the major subjects to which the association will address itself next year, Mr S. K. Mehara, chairman of the association, said.

Maltese cross over farm prices

By Godfrey Grima in Valletta

MALTESE farmers are refusing *to take their products to the* market following the imposition of a price freeze.

The freeze was announced by Premier Dom Mintoff in his end-of-year message.

Attempts to discuss the dispute with Mr Freddie Micallef, agriculture minister, had failed, it was anounced at a rally this week. The Government's unilateral decision to cut the price of fruit and vegetables at the expense of farmers was unjust, the farmers' union added.

An official for the union said farmers had to make up for their many losses *only* when certain items fetched good prices. Vegetables fetched low prices when they were abundant, and compensation was likely only when products were in short supply.

The official added that farmers were determined not to take their products to the market unless the Government was prepared to be reasonable.

Move to curb pig disease

A SLAUGHTER and compensation policy to prevent the spread of Aujeszky's disease, which kills piglets, is to be introduced following publication of a Government Bill.

A national referendum of producers, published on November 30, indicated that the owners of 74.3 per cent of Britain's pigs were in favour of such a policy. And pig-owners *said they were prepared* to finance compensation through a headage levy.

The legislation will enable the meat and Livestock Commission to raise this levy. Compulsory slaughter rules will be introduced by the *Minister of Agriculture under* the Animal Health Act, 1981.

FARMER'S VIEWPOINT

A perilous year all round

I WILL remember 1982 as a sort of agricultural "perils of *Pauline." The year brought the* best harvest I have known and some most encouraging livestock results in spite of a massed onslaught of snow, frost, flood and drought.

It was the year when those who used every aid to husbandry and those who used very few could be equally satisfied. There seemed to be no correlation between chemical applications and yield. The grass grew better and was of a higher nutritional value, milk production galloped ahead, and lambs and cattle on grass thrived as never before.

This happy state of affairs was complemented by the best EEC price fixing, with 11 per cent on milk encouraging a sector which is already producing 20 per cent more than the market can absorb at present prices.

British farmers are inextricably involved in the budget cost. About 1.6m tonnes of barley and wheat had been placed in intervention stores by the end of December and 1.3m tonnes of cereals had been exported by October 31. A further 2m tonnes of cereals will have to go to the same destination according to estimates from the Agriculture Ministry.

Business executives in any other sector, faced with such an abundance on almost every side, would at least take steps to see that they did not get too far out on a limb of suicidal over-production. But farmers are not like that. They believe farming is a public service. They believe food production is good for humanity and should not be controlled by the rude laws of economics.

Some have their doubts, of course, and there is evidence of slackening demand for all but the very best British land. And there is talk about building up cash reserves now inflation appears to be falling.

But there is no evidence of a reduction in production. I believe more winter cereals have been planted than ever before, in spite of a very wet autumn, and they look well both here and on the Continent. Milking cows and breeding sheep are dearer than I can remember them, which is clear evidence of the confidence of livestock farmers.

There are one or two black spots. Pig prices are well down on last year. There are two reasons for this.

The meat market is overshadowed by about 50,000 tonnes of New Zealand lamb in cold stores. This has forced down the price of British sheep meat and, incidentally, that of pork. Sheep farmers are protected by the deficiency payments, but pig farmers are on their own.

Worse still, cereal prices are forced upwards by the CAP system.

There is considerable bitterness about this among pig farmers who claim that neither the National Farmers' Union nor the Ministry of Agriculture, cares what happens to them. The villain of the scene is generally held to be the sheep meat regime which artificially depresses the price of lamb by the use of the deficiency payment. Elsewhere on the Continent, sheep meat is much dearer and pig farmers better placed.

Next year's farming may produce less spectacular results, but there is no doubt that the long-term yield trend is upwards. Farm output rises in surges like the tide, with individual waves making the advance and long-term consolidation following.

This year's output will probably be the norm by 1985 and there is plenty of potential for still further increases of the same farming acreage.

I intend to keep up with the Joneses as well as I can. My wheat will be grown and processed with intervention in mind. My lambs will be fattened to make the most of the subsidy. Production on all sides will be maximised with every modern artifice.

But the pigs? A good question. They are hardly paying, but I shall keep them going in the belief that one of these days someone, somewhere, will force the CAP out of the present economic madness.

In fact, I shall be backing the system both ways and if cereals collapse my pigs will be in on the ground floor. But I wish I knew when this was going to happen.

John Cherrington

Vietnam aims for self-sufficiency in food

VIETNAM, which has imported foodgrains for the past 20 years, aims to re-establish food self-sufficiency in 1983. It was once a rice-exporting country but was forced by war to import.

Mr Vo Van Kiet, Vietnam's deputy premier, outlined the target in a report to the Vietnamese National Assembly on the 1983 state plan.

Production of food—the bulk of it Rice—in 1982 was 16.26m tonnes, a little above *target and a creditable* performance, Mr Kiet said.

A target of 17m tonnes set for 1983 acounted to self-sufficiency. "From 1984 we may build up our own food reserves," he added, in his report, which was monitored in Bangkok.

Mr Kiet, who chairs the state planning committee, made no bones about the appalling economic problems plaguing his country more than seven years after the end of the Vietnam war.

He noted that acute shortages of energy, raw materials and spare parts persisted. Economic inputs were underused and "waste and corruption are still rampant."

Self-sufficiency in food would mean the removal of a major burden. *This was because most* of Vietnam's meagre foreign currency earnings had gone on such imports, leaving almost nothing to buy raw materials and equipment for industry.

The Soviet Union and other Socialist countries, on whom *Vietnam is heavily* dependent, wrote off Vietnam's debts to them in 1981. But Vietnam's debts had built up to about $3.5bn by March this year.

Up to October, Vietnam had defaulted on most of its debt service payments for 1982.

While Vietnam's occupation of Kampuchea and the maintenance of troops in Laos have exacerbated its economic ills, poor management and opposition to Socialist methods in Southern Vietnam have also been important *factors*, according to Western analysts.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 29 1982	+ or −	Month ago
Metals			
Aluminium	£810-815		£810/815
Free Mkt	$995-1025	+20	$880/925
Copper			
Cash h grade	£942.5	+16.75	£962.
3 mths	£968.25	+18.75	£989.25
Cash Cathode	£903.25	+14.75	£947.5
3 mths	£933	+18.5	£969
Gold troy oz	$462.5	+14	$410.5
Lead Cash	£301.75	+2.5	£282.625
3 mths	£301.75	+6.5	£291.875
Nickel	£4153.5		£4155.5
Free mkt	160.190c		145/175c
Platin'm tr'y oz	£260		£260
Freemkt	£229.65	+0.15	£216.85
Quicksilver†	$346/355	−7.5	$358/365
Silver troy oz	685.15p	+16.85	581.25p
3 mths	702.60p	+17.40	592.65p
Tin Cash	£7415	−12.5	£7346.5
3 mths	£7435.5	−1.0	£7256
Tungsten	$103.80		$102.59
Wolfrm 22.04 lb	$78/82		$80/84
Zinc Cash	£416.5	+4.0	£433.75
3 mths	£428.75	+4.25	£438.75
Producers	$800		$850

	Dec. 29 1982	+ or −	Month ago
Oils			
Coconut (Phil)	$452.5x	−2.5	$430
Groundnut	$450w		$465
Linseed Crude	£308		£351
Palm Malayan	$377.5z	+2.5	$367.5
Seeds			
Copra Philip	$300w		$285
Soyabean (U.S.)	$238z	−1.5	$238.5
Grains			
Barley Fut.Mar	£114.50		£115
Maize	£145.50z		£140.00
Wheat Fut. Mar	£120.80		£119.15
No.2 Hard Wint			
Other commodities			
Cocoa ship't*	£1136.5		£1057
Future Mar	£1135.5	+19.0	£1006.5
Coffee Ft Mar	£1598		£1692.5
Cotton A.Index	70.55c		68.65c
Gas Oil Jan	£252.5	−3.25	£277.25
Rubber (kilo)	49.5p		48.5p
Sugar (Raw)	£100wy		£105
Wool'tps 64s kl	372p kilo		371p kilo

† Unquoted. z Jan. y Feb w Dec-Jan x Jan-Feb. † Per 16-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	30.50	−0.10
Iranian Light	29.50	+0.50
Arabian Heavy	29.85	
North Sea (Forties)	30.75-31.00	
African (Bonny L't)	31.50-31.75	−1.88
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	300	+2.5
Gas oil	291	+3.0
Heavy fuel oil	171	+3.0

* No price reported yesterday.

GAS OIL FUTURES

The market opened higher in Fob following a strong New York close *and a weaker dollar. Prices steadied* throughout the morning but weakened marginally in the afternoon, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Dec	290.00	−4.00	[illegible]
Jan	292.50	−3.75	[illegible]
Feb	274.50	−4.25	[illegible]
March	267.50	−4.50	[illegible]
April	262.00	−4.00	[illegible]
May	256.25	−3.25	[illegible]
June	258.50	−3.25	[illegible]
July	258.50	−3.50	[illegible]
Aug			

Turnover: — (—) lots of 100 tonnes.

GOLD MARKETS

Gold rose $14 an ounce from Friday's close in the London bullion market yesterday to finish at $462-463. The metal opened at $456-457 and rose steadily to finish at its best level, spurred on by lower U.S. interest rates and a weaker trend in the dollar.

In Frankfurt the 12½ kilo bar was fixed at DM 34,860 per kilo ($457.99 per ounce) against DM 34,575 ($458.50) previously and closed at $460¼-462.

In Paris the 12½ kilo bar was fixed at FFr 97,850 per kilo ($453.77 per ounce) in the afternoon compared with FFr 97,850 ($454.24) in the morning and FFr 98,000 ($454.90) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $456.0 from $457.75.

In Zurich gold finished at $459-462.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
January	463.00-64.00	+15.5	
February	467.40-8.00	+15.05	[illegible]
March	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]

Gold Bullion (fine ounce) — Dec. 29 / Dec. 24

	Dec. 29		Dec. 24	
Close	$462-463	[illegible]	[illegible]	[illegible]
Opening	$456-457	[illegible]	[illegible]	[illegible]
Morning fixing	$456.75	[illegible]	[illegible]	[illegible]
Afternoon fixing	$460.50	[illegible]	[illegible]	[illegible]

Gold Coins Dec. 29: Krugrand, ½ Krug, ¼ Krug, 1/10 Krug, Mapleleaf, New Sov, ½ New Sov; King Sov, Victoria Sov, French 20s, 50 pesos Mex, 100 Cor. Aust, $20 Eagles — [illegible]

ROTTERDAM, Dec. 29. Wheat—(US$ per tonne): U.S. No. 2 Red Winter Jan 185, Feb 187, Mar 188, April 180. U.S. No. 3 Amber Durum April/May 173, June 175, July 176, Aug 180. U.S. No 2 Northern Spring 14 per cent Jan 184.50, Feb 185.50, Mar 187, April/May 172, June 173, July 174. Canadian Western Red Spring April/May 198. Maize—(US$ per tonne): U.S. No 3 yellow afloat 118, Dec 117.75, Jan 117.50, Feb 117.50, Mar 117.50, April/June 120, July/Sept 122, Oct/Dec 124 sellers. Soyabeans—(US$ per tonne): U.S. No 2 Yellow Gulfports Jan 232, Feb 234, Mar 236, April 237.50, May 234.50, June 240, July 241.50, Aug 242.50, Sept 242.50, Oct 236, Nov 236, Dec 1983 240.50, Jan 244, Feb 248.50 sellers. Soyameal—(US$ per tonne): 44 per cent afloat 217.50, Dec 217.50, Jan 217.50, Feb 217.50, Mar 217.50, April/Sept 216, Nov/Mar 221 sellers. Pellets Brazil Dec 230, Jan 231.50, Feb 233, Mar 231.50, April/Sept 233 sellers.

PARIS, Dec. 29. Cocoa—(FFr per 100 kilos): Dec 1170, Mar 1248, 1250, May 1260, 1280, July 1280, 1300, Sept 1320, 1330, Dec 1350, 1360, Mar 1370, 1385. Sales at call: 3. Sugar—(FFr per tonne): Mar 1564/1565, May 1600/1605, July 1630/1645, Aug 1665/1675, Oct 1710/1715, Nov 1710/1720, Dec 1765/1785, Mar 1840/1960. Sales at call: 2.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES rose sharply on the London Metal Exchange in response to strong gains in the U.S. during the closure of UK markets. COPPER opened higher but fell back to £955 on the stocks news before recovering strongly to close at £964.5 in the wake of renewed U.S. speculative buying. Short covering lifted LEAD to £300.5 and ZINC to £428.5.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
HighGrde	£	£	£	£
Cash	935-.5	+7.5	942.5	+16.7
3 months	956-.5	+8.75	968.5	+18.7
Settlem't	935.5	+7.5	—	
Cathodes				
Cash	895-.5	+6.75	903-.5	+14.7
3 months	923.5	+7.75	931-.5	+18.5
Settlem't	895.5	+6.5	—	
U.S. Prod.	—		*70-4	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £933.50, 33.00, three months £956.00, 56.00, 58.00, 57.50, 58.00, 56.50, 56.00. Cathodes: cash £895.00, 95.50. Kerb: higher grade: three months £958.00, 60.00, 61.00, 62.00, 62.50, 63.00. Afternoon: Higher Grade: three months £969.00, 68.50, 69.00, 69.50, 70.00, 69.50, 69.00, 68.50, 68.00. Cathodes: cash £904. Kerb: higher grade: three months £968.00, 67.00, 66.50, 66.00, 65.50, 65.00, 64.00. Turnover: 39,425 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7415-20	−10	7413.7	−12.5
3 months	7420-30	−1.5	7423.8	−1
Settlem't	7420	−10	—	
Standard				
Cash	7415-20	−10	7413.7	−12.5
3 months	7415-20	−3	7418-22	−6.5
Settlem't	7420	−10	—	
Straits E.	$29.15		—	
New York	—			

Tin—Morning: Standard, cash £7420, three months £7420, 20. Kerb: Standard: Three months £7420. Afternoon: Standard: Three months £7,420, 25, 20, 15, 7,420, 25. Kerb: Standard, three months 7,420, 25. Turnover: 875 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	287.5	+2.5	290.1	+5.5
3 months	299-.5	+2.5	301.5-2	+6.5
Settlem't	288	−2.5	—	
U.S. Spot	—		*20.5-26	

Lead—Morning: cash £288.50, 88.25, 88.50, 88, three months £299.00, 99.50, 300.00, 299.50, 300.00. Kerb: Three months £300. Afternoon: Three months £299.50, 300.00, 300.50, 301.00, 01.50, 02.00, 03.00, 01.50, 02.00, 01.50, 01.00. Kerb: Three months £301.00, 30.50, 01.00. Turnover 11,600 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	410.5-11.5	−1.5	416-.7	+4
3 months	422-.5	−1.5	428.5-9	+4.25
Settlem't	411.5	−1.5	—	
Primw'ts	—		*38.75-40.7	

Zinc—Morning: Three months £427.00, 26.50, 26.00, 25.50, 25.00, 24.50, 24.00, 23.50, 23.00. Kerb: Three months £423.50, 24.00, 24.50, 25.00, 26.00. Afternoon: Three months £427.00, 28.00, 27.50, 28.00, 28.50, 29.00, 29.50, 30.00. Kerb: Three months £428.00, 27.50, 27.00, 28.00. Turnover: 8,075 tonnes.

ALUMINIUM	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	617-.5	−5	617.5-8	−.5
3 months	636-.7	−5	636.5-7	[illegible]

Aluminium—Morning: Three months £639.50, 39.00, 38.50, 38.00. Kerb: Three months £636.00. Afternoon: Three months £637.00, 36.50. Turnover: [illegible]

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	2345-55	−27.5	2345-55	−50
3 months	2400-10	−32.5	2410-2	−15.5

* Cents per pound. † MS per kilo. † On previous unofficial close.

Nickel—Morning. Cash £2345, three months £2400, 05, 10, 15, 05. Kerb: Three months £2405. Afternoon: Three months £2415, 20, 25, 20, 15, 10, 15, 12, 13. Kerb: Three months £2410, 05, 2400. Turnover: 822 tonnes.

SILVER

Silver was fixed 25.05p an ounce higher for spot delivery in the London bullion market yesterday at 685.15p. U.S. cent equivalents of the fixing levels were: spot $11.11, up 48.2c; three-month $11.36, up 50.9c; six-month $11.60, up 50.9c; and 12-month $12.15, up 50.2c. The metal opened at 681-683p ($11.05-11.12) and closed at 689-691p ($11.22-$11.26).

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	685.15p	+16.8	692.5p	+10
3 months	702.60p	+17.4	709.75p	
6 months	718.40p	+17.5	—	
12months	753.40p	+16.9	—	

LME—Turnover 104 (—) lots of 10,000 ozs. Morning: Three months 702.0, 01.0, 01.5, 02.0. Kerb: three months 702.0, 03.0. Afternoon: three months 705.5, 04.5, 710.0, 09.5, 09.0, 09.5. Kerb: three months 708.5, 08.0, 08.0.

COCOA

Cocoa futures opened steadier on dealer buying after the Christmas holidays and then fluctuated within a £25 range. Physicals were quiet with only some light producer selling noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Dec	1151-60	+18.0	1160-45
March	1115-16	−1.0	1137-16
May	1126-27	−1.5	1137-16
July	1140-43	+2.0	1153-30
Sept	1153-54	−5.5	1165-45
Dec	1175-74	−5.0	1190-75
March	1180-95	−11.0	1210-00

Sales: 3,263 (—) lots of 10 tonnes. ICCO—Daily price for Dec 30: 79.19 (78.75). Indicator price for Dec 30: 78.38 (77.90).

COFFEE

Light trade buying in thin conditions created gains of £11-£15, reports Drexel Burnham Lambert. A steadier trend was maintained in a quiet market until the close when commission selling returned prices to the lows.

COFFEE	Yest'day's Close	+ or −	Business Done
January	1768-72	−3.0	1780-60
March	1598-00		1615-98
May	1398-00	−5.5	1505-95
July	1405-08	+7.0	1416-00
Sept	1357-60	−10.0	1360-50
Nov	1320-30	−6.0	1297-95
January	1280-00	−5.0	—

Sales: 1,420 (667) lots of 5 tonnes. ICO indicator price for Dec 28 (U.S. cents per pound): Comp. daily 1979 130.44 (130.53); 15-day average 131.32 (131.44).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yest'rdy's close	+ or −
Jan	119.95		111.95	
Mar	120.80		115.50	
May	123.15		117.05	
July	125.40		—	
Sept	111.60		108.10	
Nov	116.60		111.40	

Business done—Wheat: Jan 120.00, 119.40. March 120.90-120.70, May 123.05 only. July 125.60 only. Sept 111.50-111.40, Nov 116.50-116.45. Sales: 135 lots of 100 tonnes. Barley: Jan 112.00-111.90, March 115.50-115.40, May 117.05 only. Sept unquoted. Nov untraded. Sales: 51 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Jan 135.25, Feb 136.25, March 137.50 transhipment East Coast seller. English Feed fob Jan 123 Bristol Channel seller. Maize: French Jan 144.50 transhipment East Coast seller. South African White/Yellow Jan-Feb 86 quoted. Barley: English Feed fob Feb 118.50, March 119.50 East Coast seller.

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	72.80	74.00	74.00-72.50
Apr	91.50	95.00	95.00-91.00
May	93.50	96.00	95.50-93.50
Nov	76.00	75.40	—
Feb	76.00	75.50	—

RUBBER

The London physical market opened very quiet, attracted very little interest throughout day closing dull. Lewis and Peat reported a January fob price for No. 1 RSS in Kuala Lumpur of 182.0 (—) cents a kg and SMR 20 166.5 (—).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
Feb	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]

Sales: 151 (—) lots of 15 tonnes; nil (nil) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 49.50p (49.75); Feb 53.25p (53.50); March 53.75p (54.00).

SOYABEAN MEAL

The market opened around £1 down on stronger sterling, reports T. G. Roddick. Prices remained at opening levels in dull conditions.

	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Feb	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]

Sales: 30 (same) lots of 100 tonnes. SOYABEAN OIL—The market opened unchanged and remained quiet throughout. Close (US$ per tonne): Feb 414.00, 430.00; April 423.00, 418.00; June 430.00, 427.00; Aug 440.00, 434.00; Oct 442.00, 435.00; Dec 450.00, 438.00; Feb 450.00, 445.00. Sales: nil (same) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £100.00 (same) a tonne cif Dec-Jan-Feb shipment. White sugar daily price £143.00 (£145.00). The approaching year-end gave the London sugar market a quiet day, initially £1 too low. Prices soon recovered this but only to become enmeshed in a narrow range for the remainder of the session, reports Czarnikow.

No. 4 Con-tract	Yesterday's close	Previous close	Business Done
	£ per tonne		
Jan	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Sales: 1,281 (—) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis white sugar was £406.90 (same) a tonne for home trade and £306.00 (—) for export. International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Dec 27: Daily price 6.18 (same); 15-day delivery 6.22 (6.25).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 47 tonnes. With the year end holidays only a day or two away and many mills closed, the offtake was not disproportionate. Inquiry covered a fair range of qualities, with African and *Middle Eastern growths in request.*

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 99.54p per kg lw (+0.28). GB—Sheep 155.78p per kg est dcw (+0.69). GB—Pigs 70.97p per kg lw (−1.50).

A quiet market with prices easing back to close at the lows, reports Coley and Harper. Turnover 381 (201) lots of 40 tonnes.

SMITHFIELD—Pence per pound: Beef: Scotch killed sides 85.0 to 88.0; Ulster hindquarters 108.0 to 111.0, forequarters 61.0 to 64.0. Veal: Dutch hinds and ends 144.0 to 148.0. Lamb: English small 68.0 to 75.0, medium 67.0 to 71.0, heavy 64.0 to 68.0. Scotch medium 68.0 to 72.0, heavy 64.0 to 66.0. Imported—New Zealand PL 51.0 to 52.0, PX 49.0 to 50.0. Pork: English, under 100 lb 46.0 to 52.0, 100-120 lb 50.0 to 53.0, 120-160 lb 39.0 to 50.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package *except where otherwise stated:* Imported Produce: Satsumas—Spania: 10-kg 2.60-3.20. Oranges—Spania: Navels 4.20 to 5.50; Israeli: Shamouti 40 4.70, 50 4.80, 60 4.90, 75 4.95, 88 4.95, 105 4.75, 123 4.45, 144 4.25, 168 4.00; Moroccan: Navels 4.40-5.00; [illegible]

INDICES

FINANCIAL TIMES

Dec. 28	Dec. 21	M'th ago	Y'ar ago
239.02	238.71	252.42	247.36

(Base: July 1 1952 = 100)

REUTERS

Dec. 29	Dec. 22	M'th ago	Y'ar ago
1580.6	1574.0	1564.6	1615.9

(Base: September 18 1931 = 100)

MOODY'S

Dec. 22	Dec. 21	M'th ago	Y'ar ago
999.3	995.4	982.2	966.1

(December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 28	Dec. 24	Month ago	Year ago
Spot	134.44	134.04	133.34	137.18
Fut's	140.05	136.70	135.55	132.94

(Base: December 31 1974 = 100)

AMERICAN MARKETS

NEW YORK, December 29

The Gold and Silver markets attracted buying interest on technical considerations and on buying ahead of the U.S. trade figures which are anticipated to show a continued deficit. Copper came under pressure from profit-taking prompted by the high level of exchange warehouse stocks in the U.S. and London. Sugar recovered *on light speculative buying in response to recent buying by Egypt in the cash* market. Coffee was mixed with light short covering in the nearbys. Cotton was pressured by trade selling. Maize and Wheat weakened in sympathy with Soyabeans which came under selling pressure due to expected heavy deliveries against the January futures contract. Heating Oil advanced sharply in thin trade as the market attracted technical buying after early strength *due to higher cash and London values, reported Heinold.*

NEW YORK

COFFEE "C" 37,000 lbs, cents/lbs

	Close	High	Low	Prev
March	130.89	131.25	129.80	129.68
May	125.71	126.00	124.90	125.00
July	122.65	123.00	122.25	122.49
Sept	120.35	121.15	120.25	120.13
Dec	118.13	119.25	118.25	119.25
March	117.37	117.48	117.48	116.50
May	115.50	—	—	115.00

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	75.25	76.00	75.10	75.75
Jan	69.45	69.90	69.25	69.85
Feb	70.15	—	—	70.60
March	70.85	71.60	70.50	71.30
May	71.90	72.65	71.60	72.35
July	72.95	73.80	72.60	73.40
Sept	73.95	74.75	73.90	74.40
March	76.60	77.50	76.70	77.10
May	77.55	78.00	77.90	78.10

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	1221.5	1235.0	1208.0	1204.4
Jan	1121.0	1130.0	1114.0	1105.0
Feb	1129.5	1133.0	1133.0	1113.5
March	1138.0	1150.0	1124.0	1122.0
May	1156.4	1168.0	1143.0	1140.2
July	1174.8	1186.0	1164.0	1158.4
Sept	1193.2	—	—	1176.4
Dec	—	—	—	—
March	1250.0	1265.0	1250.0	1232.9
May	1269.4	1278.0	1278.0	1251.9

SUGAR WORLD "11" 1012.00 lbs, cents/lb

	Close	High	Low	Prev
Jan	6.28	6.20	6.15	6.00
March	6.93	7.05	6.90	6.85
May	7.30	7.35	7.22	7.16
July	7.58	7.60	7.48	7.42
Sept	7.88	7.88	7.82	7.75
Oct	8.07	8.13	8.02	7.95
March	9.03	9.10	9.02	8.95
May	9.28	—	—	9.26

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	59.15	60.00	59.05	59.50
April	59.71	60.55	59.60	60.15
June	61.27	62.00	61.22	61.60
August	60.13	60.90	60.10	60.45
Oct	58.95	59.60	58.95	59.25

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	56.90	57.45	56.66	57.56
April	53.95	54.30	53.55	54.30
June	54.95	55.50	54.80	55.50
July	55.10	55.40	54.82	55.45
August	54.25	54.30	53.60	53.80
Oct	49.75	49.85	49.45	49.70
Dec	49.65	49.77	49.55	49.70
Feb	48.62	48.70	48.62	48.75
April	47.20	47.20	47.20	46.20

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	80.25	81.75	79.95	81.85
March	79.42	80.60	79.00	80.92
May	79.62	80.50	79.10	80.75
July	78.53	79.10	77.85	79.05
August	75.60	76.00	75.20	76.00
Feb	64.50	66.50	64.15	64.50
March	63.60	63.60	63.60	63.65

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Jan	562.7	568.5	562.5	567.2
March	573	579	572.5	577
May	581.2	586.5	581	585
July	589.2	586	589	593.2
August	590	597	590	594
Sept	588	593	588	585.5
Nov	591.5	597	591	595.5
Jan	604	609	604	607.5
March	618.5	—	—	620

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	173.7	174.7	173.3	174.4
March	173.8	175.0	173.3	174.4
May	174.9	175.8	174.4	175.5
July	175.8	177.0	175.9	176.5
Aug	176.0	177.0	176.0	176.5
Sept	177.2	178.0	177.0	177.5
Oct	175.8	176.8	176.0	176.0
Dec	178.5	179.5	178.0	179.0
Jan	179.2	179.0	179.5	179.3
March	182.5	—	—	182.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Jan	16.17	16.37	16.16	16.36
March	16.62	16.80	16.61	16.79
May	17.01	17.20	17.01	17.18
July	17.40	17.58	17.40	17.57
August	17.55	17.68	17.55	17.72
Sept	17.67	17.85	17.68	17.86
Oct	17.82	17.86	17.82	17.98
Dec	18.07	18.32	18.05	18.25
Jan	18.22	18.40	18.23	18.39

Companies and Markets CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak in quiet trading

The dollar opened very weak, but then showed little movement in thin end of year trading. Lower U.S. interest rates tended to depress the U.S. currency, and the market was nervous ahead of the U.S. trade figures.

Sterling managed a slight recovery against the dollar and Continental currencies.

DOLLAR — Trade-weighted index (Bank of England) 118.1 against 121.3 six months ago. A change of emphasis towards fundamentals such as rising trade and budget deficits has pushed the dollar down recently. High interest rates had previously kept the U.S. currency firm, but the Federal Reserve discount rate and bank prime rates are now following a downward path—The dollar fell to DM 2.37 from DM 2.3950; to FFr 6.7150 from FFr 6.80; to SwFr 1.99 from SwFr 2.01; and to Y232.75 from Y238.

STERLING — Trading range against the dollar in 1982 is 1.9265 to 1.5537. November average 1.6338. Trade-weighted index 84.2, compared with 84.1 at noon, the opening and the close on Friday, and 91.1 six months ago. Sterling remains weak against Continental currencies and the yen on fears of a worsening balance of payments and lower world oil prices. Higher London interest rates and the general weakness of the dollar have helped the pound recover from near an all-time low against the U.S. unit however — Sterling touched an early low of $1.6170-$1.6180, but rose quite sharply to a peak of $1.6310-1.6320, before closing at $1.6265-1.6275, a rise of 2.10 cents from Friday, but little changed from the overnight New York rate of $1.6280. The pound also improved to DM 3.8575 from DM 3.8475 against the Deutschemark; to FFr 10.9250 from FFr 10.9150 against the French franc; to SwFr 3.2375 from SwFr 3.2250 in terms of the Swiss franc; but fell to Y379 from Y385 against the Japanese yen.

D-MARK — Trading range against the dollar in 1982 is 2.5340 to 2.2410. November average 2.5536. The D-mark is strong, helped by an improving balance of payments position and confidence in the Government's economic policy. It has benefited recently from the weakness of the dollar and sterling — The D-mark was slightly weaker at yesterday's fixing in Frankfurt in quiet trading. The dollar was fixed at DM 2.3667 without Bundesbank intervention, against a previous fixing of DM 2.3683. Sterling was a little firmer at DM 3.8370 from DM 3.8290 as was the Swiss franc at DM 1.1892 from DM 1.1880. On the other hand the Dutch guilder slipped to DM 90.23 from DM 90.46 per Fl 100 and the French franc was lower at DM 35.32 per FFr 100 compared with DM 35.35.

BELGIAN FRANC — Trading range against the dollar in 1982 is 50.21 to 38.12. November average 49.6282. The Belgian franc has fallen sharply against the stronger members of the EMS this year, prompting the Government to introduce austerity measures to counter a weak economy and large budget deficit—There was no intervention by the Belgian central bank over the last week in the foreign exchange market, with pressure easing a little on the Belgian franc. The Belgian franc was a little weaker at yesterday's fixing in Brussels. The dollar rose to BFr 46.6 from BFr 46.5175 and sterling was higher at BFr 75.45 compared with BFr 75.24. Within the EMS the D-mark was unchanged at BFr 19.67 while the French franc improved to BFr 6.9540 from BFr 6.9460.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.3287	+0.79	+1.47	±1.5501
Danish Krone	8.23400	8.11589	−1.43	−0.55	±1.6430
German D-Mark	2.33379	2.30080	−1.41	−0.53	±1.0888
French Franc	6.61387	6.52038	−1.41	−0.53	±1.3940
Dutch Guilder	2.57971	2.54758	−1.25	−0.37	±1.5004
Irish Punt	0.691011	0.682193	+0.17	+1.05	±1.6691
Italian Lira	1350.27	1324.90	−1.88	−1.53	±4.1389

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Dec. 29	£	$		Note Rates
Argentina Peso	78,080-78,060	48,000-48,050	Austria	26.90-27.20
Australia Dollar	1.6545-1.6575	1.0180-1.0185	Belgium	77.35-78.35
Brazil Cruzeiro	409.00-410.00	251.41-252.07	Denmark	13.51-13.55
Finland Markka	8.3760-8.3945	5.1760-5.1780	France	10.83-10.93
Greek Drachma	111.765-116.136	68.50-70.50	Germany	3.83½-3.86½
Hong Kong Dollar	10.51-10.54	6.47-6.49	Italy	2305-2355
Iran Rial	135.00*	83.40*	Japan	378-384
Kuwait Dinar (KD)	0.4690-0.4700	0.28845-0.28875	Netherlands	4.22½-4.25½
Luxembourg Fr	75.90-76.00	46.65-46.68	Norway	11.35-11.45
Malaysia Dollar	3.7700-3.7850	2.3210-2.3250	Portugal	145-175
New Zealand Dlr	2.2095-2.2180	1.3615-1.3655	Spain	203-214
Saudi Arab. Riyal	5.5940-5.6015	3.4395-3.4415	Sweden	11.75-11.87
Singapore Dollar	3.4125-3.4325	2.10-2.11	Switzerland	3.21½-3.25½
Sth African Rand	1.7480-1.7490	1.0745-1.0750	United States	1.61¼-1.63¼
U.A.E. Dirham	5.9785-5.9795	3.6720-3.6740	Yugoslavia	115-131

* Selling rate.

CURRENCY MOVEMENTS

Dec. 29	Bank of England Index	Morgan Guaranty Changes %
Sterling	84.2	−36.7
U.S. dollar	118.1	+9.3
Canadian dollar	88.4	−16.4
Austrian schilling	121.7	+29.6
Belgian franc	94.3	−3.1
Danish kroner	84.4	−9.6
Deutsche mark	128.9	+54.5
Swiss franc	150.2	+104.5
Guilder	119.1	+26.6
French franc	74.6	−12.3
Lira	58.5	−58.4
Yen	145.5	+39.2

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.681897	0.599850
U.S. $	8½	1.10588	0.970601
Canadian $	10.24	1.37087	1.20531
Austria Sch.	3¾	18.8919	16.1396
Belgian F	11½	51.5588	45.3867
Danish Kr	11	9.33744	8.11589
D mark	5	2.61825	2.30080
Guilder	5	2.92630	2.54758
French Fr	9½	7.42982	6.52038
Lira	18	1509.53	1324.90
Yen	5½	256.338	225.905
Norwgn. Kr	9	7.75490	6.81745
Spanish Pta	8	139.506	121.593
Swedish Kr	10	8.05385	7.07063
Swiss Fr	5½	2.20150	1.94809
Greek Dr'ch	20½	n.a.	68.3444

THE POUND SPOT AND FORWARD

Dec 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.6170-1.6330	1.6265-1.6275	0.20-0.16c pm	1.29	0.42-0.37 pm	0.97
Canada	2.0100-2.0230	2.0150-2.0160	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	4.23½-4.28½	4.27-4.28	2¼-1½c pm	5.61	[illegible]	[illegible]
Belgium	75.40-76.10	75.90-76.00	35-55c dis	−7.11	[illegible]	[illegible]
Denmark	13.54-13.62	13.58-13.59	8¼-12½ore dis	[illegible]	[illegible]	[illegible]
Ireland	1.1560-1.1660	1.1630-1.1660	0.46-0.57p dis	[illegible]	[illegible]	[illegible]
W. Ger.	3.83½-3.86½	3.85½-3.86½	1½-1¼pf pm	[illegible]	[illegible]	[illegible]
Portugal	143.00-148.00	145.75-147.75	145-345c dis	[illegible]	[illegible]	[illegible]
Spain	202.75-204.00	203.00-203.90	95-285c dis	[illegible]	[illegible]	[illegible]
Italy	2320-2334	2319-2321	23-33lire dis	[illegible]	[illegible]	[illegible]
Norway	11.36-11.44	11.42-11.43	2½-3½ore dis	[illegible]	[illegible]	[illegible]
France	10.85½-10.93½	10.92-10.93	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	11.78-11.88	11.80¾-11.85¾	1½-1ore pm	[illegible]	[illegible]	[illegible]
Japan	378-385	378-379	1.30-1.10y pm	[illegible]	[illegible]	[illegible]
Austria	26.95-27.15	27.10-27.15	11¼-9gro pm	[illegible]	[illegible]	[illegible]
Switz.	3.21-3.25	3.23½-3.24½	2¼-1½c pm	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 77.60-77.70. Six-month forward dollar 0.73-0.68c pm. 12-month 1.05-0.95c pm.

THE DOLLAR SPOT AND FORWARD

Dec 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6170-1.6330	1.6265-1.6275	0.20-0.16c pm	[illegible]	[illegible]	0.97
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.83
Canada	1.2386-1.2410	1.2385-1.2395	[illegible]	[illegible]	[illegible]	−1.31
Nethlnd.	2.6170-2.6275	[illegible]	[illegible]	[illegible]	[illegible]	4.14
Belgium	46.50-46.72	[illegible]	[illegible]	[illegible]	[illegible]	−5.15
Denmark	8.3300-8.3700	[illegible]	[illegible]	[illegible]	[illegible]	−6.34
W. Ger.	2.3615-2.3740	[illegible]	[illegible]	[illegible]	[illegible]	3.27
Portugal	89.00-91.00	[illegible]	[illegible]	[illegible]	[illegible]	−11.28
Spain	125.00-125.50	[illegible]	[illegible]	[illegible]	[illegible]	−7.82
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−17.43
Norway	7.0100-7.0300	[illegible]	[illegible]	[illegible]	[illegible]	−4.50
France	6.6950-6.7275	[illegible]	[illegible]	[illegible]	[illegible]	−16.52
Sweden	7.2500-7.2900	[illegible]	[illegible]	[illegible]	[illegible]	−2.22
Japan	232.20-233.60	[illegible]	[illegible]	[illegible]	[illegible]	2.32
Austria	16.60-16.67	[illegible]	[illegible]	[illegible]	[illegible]	3.00
Switz.	1.9815-2.0030	[illegible]	[illegible]	[illegible]	[illegible]	5.65

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 47.65-47.80.

EXCHANGE CROSS RATES

Dec. 29	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.627	3.858	379.0	10.925	3.238	4.275	2320.	2.016	75.95
U.S. Dollar	0.615	1.	2.371	232.9	6.715	1.990	2.628	1426.	1.239	46.68
Deutschemark	0.259	0.422	1.	98.25	2.832	0.839	1.108	575.5	0.522	19.69
Japanese Yen 1,000	2.639	4.295	10.18	1000.	28.83	8.542	11.28	5858.	5.318	200.4
French Franc 10	0.915	1.489	3.531	346.9	10.	2.965	3.913	2052.	1.845	69.52
Swiss Franc	0.309	0.503	1.192	117.1	3.375	1.	1.320	685.7	0.623	23.46
Dutch Guilder	0.234	0.381	0.902	88.65	2.556	0.757	1.	519.3	0.471	17.77
Italian Lira 1,000	0.450	0.733	1.738	170.7	4.921	1.458	1.926	1000.	0.908	34.21
Canadian Dollar	0.496	0.807	1.914	188.0	5.420	1.606	2.121	1101.	1.	37.68
Belgian Franc 100	1.317	2.142	5.079	499.0	14.38	4.263	5.629	2923.	2.654	100.

MONEY MARKETS

London interest rates ease

UK clearing bank base lending rate 10-10½ per cent (since November 29 and 30)

Interest rates had a softer tone in the London money market yesterday following the overnight cut in Chase Manhattan's prime lending rate, and speculation about another reduction in the U.S. Federal Reserve discount rate. Fixed period rates fell by about 1/16 per cent, but very short-term rates held firm on the forecast of a large day-to-day shortage of credit, and indications that the authorities probably gave insufficient help to take out the full shortage, when buying a total of £385m bills outright.

A shortage of £500m was forecast by the Bank of England, but this was revised to £460m in the afternoon. Exchequer transactions added £240m to liquidity and the market was also helped by a fall in the note circulation of £230m. On the other hand bills maturing in official hands, and a take-up of Treasury bills from Friday's tender absorbed £743m, while the unwinding of repurchase agreements drained another £223m.

Before lunch the authorities gave help of £190m through outright purchases of bank bills. A total of £26m bills in band 1 (up to 14 days maturity) were bought at 10 per cent; £158m bills in band 2 (15-33 days) at 10 per cent; £4m bills in band 3 (34-63 days) at 10 per cent; and £2m bills in band 4 (64-84 days) at 10 per cent.

In the afternoon the Bank of England bought another £195m bills, by way of £3m local authority bills in band 1 at 10 per cent; £2m bank bills in band 1 at 10 per cent; £15m local authority bills in band 2 at 10 per cent; £157m bank bills in band 2 at 10 per cent; and £18m bank bills in band 4 at 10 per cent.

In Paris the Bank of France left its money market intervention rate at 12¾ per cent when it offered to buy paper maturing between January 1 and 31 under a five-day repurchase agreement. The market remains hopeful of a gradual reduction in interest rates in the next 10 days or so despite the slight rise to 12⅞ per cent from 12¾ per cent in call money yesterday morning. This has been prompted by speculation that the authorities will announce a reduction in the compulsory reserves deposited by the commercial banks with the Bank of France, which may in turn lead to a cut in basic lending rates.

LONDON MONEY RATES

Dec. 29 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-11	—	—	—	10¼	9-10¼	—	—	—
2 days notice	—	—	10⅛-10⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	10½-10⅞	10⅛-10⅜	—	—	10⅞	10-10⅛	—	—	—
One month	10⅜-10¼	10⅜-10⅝	10⅛-10⅜	11⅛-11¼	10⅞	10⅞	10	10-10⅛	10⅛	10⅞
Two months	10⅛-10⅛	10⅛-10⅞	10⅛-10⅜	11⅛-11	10⅞	10⅞	9⅞	10-10⅛	10	10⅝
Three months	10⅛-10⅛	10⅛-10⅛	10⅛-10⅝	11-10⅜	10⅞	10⅞	9⅞	9⅞-10	10	10⅝
Six months	10⅛-10⅛	10⅛-10⅜	10⅛	10⅜-10	10⅞	—	—	—	9⅞	10⅛
Nine months	10⅛-10⅛	10⅛-10⅜	—	10⅜-10¼	10⅞	—	—	—	—	—
One year	10⅛-10⅛	10⅛-10⅜	10⅛	10⅜-10¼	10⅞	—	—	—	—	—
Two years	—	—	10⅜	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 3 to December 7 1982 (inclusive): 9.810 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10¾-11 per cent; four years 11-11¼ per cent; five years 11-11½ per cent. ♦Bank bill rates in table are buying rates for prime papers. Buying rate for four-month bank bills 10 per cent; four month trade bills 10¾ per cent.

Approximate selling rate for one month Treasury bills 9¾-9²⁵⁄₃₂ per cent; two months 9¾-9²⁵⁄₃₂ per cent and three months 9²⁵⁄₃₂-9¾ per cent. Approximate selling rate for one-month bank bills 9³¹⁄₃₂-10 per cent; two months 9³¹⁄₃₂-9²⁹⁄₃₂ per cent and three months 9²⁹⁄₃₂-9¹⁵⁄₁₆ per cent; trade bills 10⁵⁄₃₂ per cent; two months 10⅛ per cent and three months 10⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10 per cent from December 1 1982. London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Clearing Deposit Rates for sums at seven days' notice 6¾-7 per cent.

Treasury Bills: Average tender rates of discount 9.9478 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11 per cent; one-three-month 11 per cent; three-12-month 10¾ per cent. Under £100,000 10½ per cent from December 21. Deposits held under Series 3-5 10¾ per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 29	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling	10⅛-10⅜	10⅛-10⅜	10⅛-10⅞	10⅜-10⅜	10⅛-10⅛	10⅛-10⅛
U.S. Dollar	9-9¼	9-9¼	9⅛-9⅜	9⅛-9⅜	9⅛-9⅜	9⅛-9⅜
Can. Dollar	10½-11½	10½-11½	10¼-10½	10¼-10½	10⅛-10¼	10½-10⅝
D. Guilder	6¾-4⅞	4⅞-5	5¼-5¼	5¼-5⅜	5⅜-5¾	5⅜-5⅞
S. Franc	11-12	2⅞-3	2⅞-3	3⅛-3⅜	3⅛-3⅜	3⅛-3⅜
Deutschm'rk	7⅛-8¼	6⅞-7	5⅞-6¼	5⅞-6⅛	6-6⅛	6⅛-6⅜
French Franc	12½-15	17-20	24-26	26¼-26¼	24⅝-25⅝	25⅜-25
Italian Lira	17-24	20-36½	28-32	—	—	—
Belg. Franc Conv.	13-14	16-21	16-18	14¼-15¼	13½-14⅛	12⅝-13⅛
Fin.	12¼-12½	12¼-12½	12¼-12½	12¼-12¾	12¼-12½	12¼-12⅝
Yen	6⅛-6⅜	6½-6¾	6⅛-6⅞	6¾-6⅞	6⅜-6⅞	6⅛-6⅛
D. Krone	16-16½	16-16½	16-16½	19⅛-19⅝	18¼-19¼	17¾-18¼
Asia $ (Sing.)	10¼-11	10⅛-10⅜	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞

FT LONDON INTERBANK FIXING

($11.00 a.m. DECEMBER 29)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 5/16	offer 9 7/16	bid 9 9/16	offer 9 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11-11½
Fed funds (lunch-time)	9¾-10
Treasury bills (13-week)	8.10
Treasury bills (26-week)	8.13

GERMANY

Lombard	6.0
Overnight rate	5.95
One month	5.80
Three months	6.40
Six months	6.40

FRANCE

Intervention rate	12.75
Overnight rate	12.9375
One month	12.875
Three months	12.8125
Six months	12.8125

JAPAN

Discount rate	5.5
Call (unconditional)	6.90625
Bill discount (3-month)	7.09375

SWITZERLAND

Discount rate	5
Overnight rate	3¼-3½
One month	2¹³⁄₁₆-3⁵⁄₁₆
Three months	3⅛-3⅜

NETHERLANDS

Discount rate	5
Overnight rate	5⅝-6⅛
One month	5⅝-5⅞
Three months	5⅝-5⅞
Six months	5⅝-5⅞

$ CERTIFICATES OF DEPOSIT

One month	8.85-8.95
Three months	8.90-9.00
Six months	8.90-9.00
One year	9.30-9.50

LONG TERM EURO $

Two years	10⅝-11
Three years	11⅛-11½
Four years	11⅝-12⅛
Five years	11¹³⁄₁₆-12⅛

SDR LINKED DEPOSITS

One month	10⅛-10⅜
Three months	10-10⅜
Six months	10⅛-10⅝
One year	9¹³⁄₁₆-10⅛

ECU LINKED DEPOSITS

One month	13⅛-13¹³⁄₁₆
Three months	12¾-13
Six months	12⅛-12⅝
One year	11⅞-11¹³⁄₁₆

FINANCIAL FUTURES

Gilt improves

Trading volume was relatively high in the London Financial Futures Exchange yesterday on the first day of trading after the long Christmas break. Gilt prices were sharply firmer as a number of encouraging factors pushed the March contract to within 2 basis points of limit up. A best level of 104-22 was reached around 11.30 am after an opening level of 103.13 and Friday's close of 102.24. Trading in the cash market saw prices move in a similar fashion with the latest cut in U.S. prime rates seen as a *bullish factor coupled with* hopes of further reductions in key rates by the U.S. Federal authorities.

This helped to relieve the upward pressure experienced recently on UK interest rates, with buying interest also stimulated by sterling's steadier performance. Dealers noted that the Bank of England had operated in the money market with its dealing rates unchanged and this together with a little profit-taking, accounted for a small downward turn in prices during the afternoon with the March price finishing at 104.10. Volume totalled 834, compared with 291 on Friday and 666 on Thursday.

Elsewhere interest centred on the Euro-dollar sector with volume holding up well at 856, its highest since December 17. The March price opened at 90.76 and rose on early buying to trade around 90.86 for much of the morning and lunch period. A best level of 90.92 was touched after the opening of Chicago, *spurred on by the prime rate cut,* but slipped back to finish at 90.86 compared with 90.82 on Friday as U.S. Fed funds opened a little higher than anticipated.

Short sterling contracts were also firmer but failed to react fully against encouraging background factors, reflecting to some extent high end of year roll over financing being experienced by banks resulting in a greater reluctance to risk exposure in the futures market.

LONDON

3-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.86	90.92	90.76	90.82
June	90.46	90.53	90.42	90.40
Sept	90.15	90.16	90.14	90.00
Dec	89.60	89.60	89.60	89.57
March	89.33	—	—	89.34

Volume 856 (48)
Previous day's open int. 1,883 (1,798)

3-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.30	90.35	90.14	90.03
June	90.15	90.19	90.03	89.90
Sept	89.85	89.90	89.80	89.58

Volume 600 (25)
Previous day's open int. 2,467 (2,485)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	104-10	104-22	103-13	102-24
June	103-26	103-26	103-24	102-13

Volume 834 (291)
Previous day's open int. 1,824 (1,786)
Basis quote (clean cash price of 15¼% Treasury 1986 less equivalent price of near futures contract) −4.06 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.6210	1.6240	1.6180	1.6005
June	1.6165	1.6165	1.6165	1.6040

Volume 132 (9)
Previous day's open int. 608 (605)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4245	0.4265	0.4240	0.4210
June	0.4287	0.4296	0.4287	0.4224

Volume 6 (3)
Previous day's open int. 534 (535)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.5070	0.5098	0.5066	0.5031
June	0.5146	0.5146	0.5146	0.5107

Volume 56 (nil)
Previous day's open int. 153 (153)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4314	0.4318	—	0.4238
June	0.4295	0.4295	0.4295	0.4256

Volume 50 (1)
Previous day's open int. 43 (44)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	76-28	77-08	76-23	77-02
June	76-05	76-16	76-02	76-11
Sept	75-18	75-28	75-16	75-23
Dec	75-02	75-13	75-02	75-08
March	74-24	75-01	74-24	74-29
June	74-19	74-25	74-17	74-21
Sept	74-11	74-18	74-11	74-15
Dec	74-06	74-12	74-06	74-10
March	74-02	74-02	74-02	74-06
June	73-30	73-30	73-30	74-02

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	92.04	92.11	91.96	92.09
June	91.76	91.82	91.70	91.79
Sept	91.51	91.56	91.49	91.49
Dec	91.27	91.35	91.22	91.19
March	91.04	91.13	90.98	90.97
June	90.82	90.86	90.85	90.78
Dec	90.61	90.61	90.61	90.36

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.40	91.48	91.40	91.47
March	91.190	91.27	91.16	91.19
June	90.76	90.82	90.74	90.77
Sept	90.44	90.45	90.41	90.39

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.55	90.63	90.49	90.49
June	90.16	90.19	90.10	90.07
Sept	89.82	89.85	89.82	89.74
Dec	—	—	—	89.47

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.6180	1.6265	1.6170	1.6270
June	1.6160	1.6215	1.6100	1.6220
Sept	—	—	—	1.6200
Dec	1.6150	1.6150	1.6150	1.6190
March	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-02	69-06	68-29	69-06
June	68-12	68-21	68-09	68-16
Sept	67-31	68-03	67-28	68-01
Dec	67-16	67-19	67-16	67-22
March	67-06	67-14	67-06	67-13
June	66-31	67-02	66-31	67-06
Sept	66-26	66-28	66-25	67-00
Dec	66-21	66-23	66-20	66-27
March	—	—	—	66-23
June	—	—	—	66-20
Sept	—	—	—	—
Dec	—	—	—	—

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LEGAL NOTICES

No. 005268 of 1982
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

IN THE MATTER OF
BRITISH NATIONAL INSURANCE COMPANY LIMITED
AND IN THE MATTER OF
BRITISH NATIONAL LIFE ASSURANCE COMPANY LIMITED
AND IN THE MATTER OF
THE INSURANCE COMPANIES' ACT 1974

NOTICE IS HEREBY GIVEN that a Petition was on the 1st November 1982 presented to Her Majesty's High Court of Justice by the above-named British National Insurance Company Limited (hereinafter called "British National") for

(i) the sanction of the Court as required by Section 42 of the above mentioned Act ("the Act") to a Scheme involving (inter alia) the transfer to the above-named British National Life Assurance Company Limited (hereinafter called "British National Life") of the whole of the long term business (as defined by the Act as amended by the Insurance Companies Act 1981) carried on by British National;

(ii) an Order pursuant to Section 43 of the Act that on the Operative Date (as defined in the said scheme) all rights, benefits and advantages conferred on or vested in British National by or under all contracts of insurance effected by it in the course of its long term business including to receive premiums shall be transferred to and vested in British National Life;

(iii) an Order pursuant to the said Section 43 that on the said Operative Date all the liabilities (whether present future or contingent) imposed on British National by or under all such contracts of insurance referred to in (ii) above shall be transferred to and become the liabilities of British National Life and

(iv) an Order pursuant to the said Section 43 that all legal proceedings (if any) which immediately prior to the Operative Date and pending by or against British National and relating to the long term business of British National be continued by or against British National Life.

A copy of the said Petition (as amended) (having annexed thereto a copy of the said Scheme) together with a copy of the Report on the terms of the said Scheme by an Independent Actuary (as required by the said Section 42 of the Act) will be open to inspection at the registered offices of British National and British National Life situate at Westchester House, Harlands Road, Haywards Heath, West Sussex, RH16 1TD and at the other office of British National situate at 52/54 Leadenhall Street, London EC3A 2BS during normal business hours on any day (other than a Saturday or Sunday) prior to the hearing of the said Petition.

AND NOTICE IS HEREBY FURTHER GIVEN that the said amended Petition is directed to be heard before the Honourable Mr Justice Vinelott at the Royal Courts of Justice, Strand, London on Monday the 24th day of January 1983 and any person (including any employee of British National and British National Life) who alleges that he or she would be adversely affected by the carrying out of the said Scheme may appear at the time of hearing in person or by Counsel for that purpose, in which case he or she is requested to give 2 clear days previous notice in writing of his or her intention so to appear with the grounds of his or her objection to the undermentioned Solicitors.

Any policyholder of British National or British National Life who dissents from the proposed Scheme but does not desire to appear on the hearing of the said Petition should give not less than 2 clear days previous notice in writing of such dissent with the grounds thereof to the undermentioned Solicitors.

A copy of the said amended Petition (having annexed thereto a copy of the said Scheme) and a copy of the said Report by an Independent Actuary will be furnished to any person requiring the same by the undermentioned Solicitors [illegible]

Dated this 22nd day of December 1982.

FRESHFIELDS
Grindall House
25 Newgate Street
London EC1A 7LH
Solicitors for British National Insurance Company Limited

PUBLIC NOTICES

METROPOLITAN BOROUGH OF SEFTON
Variable Rate Redeemable Stock, 1983

The Council of the Metropolitan Borough of Sefton announces that the half-yearly payment of interest due on 29th June, 1983 on the above stock will be at the rate of £11.6563 (less income tax) per £100 stock.

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COMPANY NOTICES

NOTICE TO ALL NOTEHOLDERS OF CYDSA, S.A.

FLOATING RATE NOTES DUE 1988

NOTICE IS HEREBY GIVEN pursuant to Section 516 of the Indenture (the "Indenture") dated as of October 28, 1981 between Cydsa, S.A. (the "Company") and The Royal Bank and Trust Company, Trustee (the "Trustee") that due to the current Mexican exchange restrictions affecting the Company, the Company is in default of the Indenture. Further, notice is hereby given pursuant to Section 1103 of the Indenture that a meeting of the Noteholders of the Company will be held at the offices of the Trustee, 76 William Street, New York, New York on Monday, January 24, 1983 at 10:00 a.m. E.S.T. for the following purposes:

1. To consider and vote upon the waiver of the provisions of Sections 501 (5) and 507, in such manner as to permit the Company to pledge the assets of Cosek, S.A. de C.V.

2. To consider and vote upon an adoption of a statement of intention to be delivered to the Company's auditors to the effect that it is not the current intention of the Noteholders to demand acceleration of payment under the Indenture, or such other statement that may accomplish the same purpose in the opinion of the Company and the Trustee.

All Noteholders are entitled to be represented at the meeting either in person or by duly appointed proxy. Accordingly, Noteholders are requested to promptly adopt one of the following procedures in order that as large a vote as possible may be polled.

1. Deposit their Notes, without charge, with Orion Royal Bank Limited (the "Proxy Agent") at 1 London Wall, London EC2Y 5JX, and obtain a certificate therefrom specifying the par value and the number of the Notes so deposited and stating that the Notes covered thereby will remain on deposit for a period of three (3) weeks from the date of the Certificate. In such an event Noteholders may thereupon vote the Notes so deposited (a) in person or (b) in proxy delivered to the Proxy Agent.

2. Deposit their Notes, without charge, with account no. 30937 of the Proxy Agent at Cedel SA, Luxembourg or with account no. 53479 of the Proxy Agent at Euroclear, Brussels and obtain, execute and return to Cedel or Euroclear, as the case may be, a Proxy which will be forwarded by Cedel or Euroclear to the Proxy Agent along with an appropriate certificate specifying the par value and the number of Notes so deposited and stating that the Notes covered thereby will remain on deposit for a period of three (3) weeks from the date of the certificate.

3. Noteholders who desire to attend the meeting in person and who have not deposited their Notes as provided in paragraphs one and two hereof, must produce their Notes for inspection at the meeting, if called upon to do so, before being entitled to vote thereat.

All proxies must be accompanied by the appropriate certificate and must be deposited pursuant to the procedures set forth above, at least twenty-four (24) hours prior to the time fixed for the meeting. Further information may be obtained by applying to the undersigned Corporation, Avenida Benito Garza 325, Garza Garcia Monterrey, N.L., Mexico or to the Trustee or the Proxy Agent at their addresses listed above.

CYDSA S.A.
By: The Royal Bank and Trust Company, Trustee

Dated: December 22, 1982

Dow closes slightly higher

WALL STREET stock prices changed course several times before closing narrowly higher, reflecting the conflicting pressures of various end-of-the-year cross-currents.

The Dow Jones Industrial Average *fell slightly most of the morning*, rose more than four points in early afternoon and then eased to finish 0.73 higher at 1,059.60.

Advances outpaced declines by some 50 issues and volume totalled a weak 55m shares, down from 58.61m.

* * *

AT MIDSESSION the average was off 1.47 points at 1,057.40. The New York Stock Exchange all-common index was ahead 5 cents at $80.99.

Tuesday **Chase Manhattan** cut its Prime Rate a half point to 11 per cent, the lowest level since July 1980. However, no other major banks followed suit and the closely watched Federal Funds rate rose to 9¾ per cent from Tuesday's close of 8⅞ per cent.

Analysts said the Stock Market was also under pressure from reports that President Reagan's top economic advisers are now *forecasting only 2 per* cent growth in the Real Gross National Product next year, down from the 3 per cent projected last autumn.

Declines were recorded by Banking, Airline, Chemical and Steel issues, **Bethlehem Steel** shed $⅛ to $19.

Motors weakened after leading last week's rally. **General Motors** lost $½ to $63 and **Ford** were off $¾ to $39⅞, both in active trading, while **Chrysler** slipped $⅛ to $17⅞.

Warner Communications, the volume leader, regained another $1½ to $31⅝—prior to Tuesday *Warner's price had plunged $21* since December 8, when it lowered sales projections for its Atari division.

Golds rose along with the price of the precious metal, **ASA** moved up $1¾ to $71, **Homestake** $2 to $54¼, **Hecla** $⅛ to $18¾ and **Newmont** $1⅜ to $54⅞.

Another active issue **Mesa Petroleum** improved $¾ to $11¾.

Minnesota Mining and Manufacturing eased $½ to $76 and **Procter and Gamble** $1¼ to $119½. But **Merck** *were up $⅛ to $86⅛*.

THE AMERICAN SE Market Value Index gained 1.16 to 333.69, while the volume decreased to 4.6m (5.39m) shares.

Canada

Prices further advanced around midday, with the Toronto Composite Index up another 9.9 to 1,919.8.

Ten of the 14 indices were higher, with gains led by the Gold *Index, which rose 52.9 to 4,105.9*. Metals and Minerals put on 23.7 to 1,806.2 and Oils and Gas 5.8 to 2,593.8.

Hong Kong

Slightly easier in line with overnight Wall Street. Trading was limited and governed by technical factors.

The Hang Seng Index closed off 4.68 at 776.22 for the half-day session.

Leaders finished mostly lower *except for* **China Light**, which ended up 10 cents at HK$12.60.

Singapore

Narrowly mixed on lack of *interest in quiet selective* trading.

The Straits Times Industrial Index was 0.21 lower at 731.35.

Hotels, Properties, Commodities and stocks in the "Second" section also finished mixed in line with the general trend.

Australia

Prices firmed in quiet trading with an absence of sellers lifting market leaders.

The 1,500 All Ordinaries Index was 5.6 *higher* at 485.4, *with the* All Resources adding 6.8 at 377.4, while the All Industrials rose 4.2 to 619.2.

Oil and Gas issues were generally firm, with **Santos** 10 cents up at $A5.30.

Bankings also were firm. Retailers were mixed, while Transport issues gained ground.

Building Industry issues also advanced, with **Lend Lease** 18 cents up at $A3.30.

Partners in the South Pepper One well in Western Australia gained ahead of an announced 1,515 barrels a day stabilised oil flow and a 29,300 cubic metres *gas flow* through a half-inch choke in the seventh drill stem test, dealers said.

WMC rose 10 cents to $A3.32, **Offshore Oil** one cent to 11 cents, *Petro Energy* two cents to 17 cents, and **Weeks Australia** one cent to 19 cents.

Johannesburg

Very firm *in fairly* active trading in the wake of Gold shares, as the bullion price held steady.

"Heavyweight" Gold share gains ranged to 200 cents, as in **Freguls** at 6,600 cents.

Milan

Prices eased in thin featureless trading as most operators squared positions ahead of the New Year.

Bastogi, up L11 to 132, *continued to advance strongly after* it confirmed rumours that it had agreed on a recovery plan with its creditors.

Demand for Convertibles eased while *Treasury Certificates rose* in a lacklustre Bond market.

Amsterdam

Share prices were lower in continued quiet trading, reflecting the weaker overnight Wall Street.

KLM fell Fl 7.5 to 135.5, while *ABN declined Fl 5.50 to 302*.

Investment Funds were narrowly mixed.

Insurance issues were weak, with **Nationale Nederlanden** losing Fl 2.20 at 125, **Amev** Fl 2.6 at 99.4 and **Ennia** Fl 2 at 133.

Inactive **RSV** traded Fl 0.80 *lower at 12, after no trading took* place Tuesday because of news **RSV** seeks a Fl 300m state bridging credit.

State Loans were steady.

Switzerland

A softer dollar and expectations of further U.S. interest *rates declines caused domestic* stock prices to rise in fairly active trading.

Prices also drew some support from the continuing strength of the local Bond market and the good performance of unofficially quoted stocks. The overnight fall on Wall Street did not affect trading.

Industrials firmed on further local and Foreign buying interest.

Banks held very steady, and Financials were mostly slightly higher.

Domestic Bonds extended recent gains, in line with the fall in short-term Eurofranc rates and *book squaring* of some large Banks, Bond dealers said.

Small gains predominated in recently issued Foreign Bonds.

In the Foreign sector, Dollar stocks traded around previous day's levels in moderate volume. Dutch Internationals closed mostly barely steady, while *Germans edged lower*.

Paris

Shares tended mixed in quiet *trading*, with slightly more declines than gains.

The market opened 30 minutes late because of high demand from investors under the "Monory Law" which allows tax offsets.

Banks, Portfolios, Oils and Public Services fell, while Stores, Electricals and Constructions were mixed. Rubbers, Engineerings, Metals and Foods were steady.

In Foreigns, Americans, Japanese and Coppers eased, Dutch stocks were lower, while Gold Mines, Oils and West Germans advanced.

Germany

Leading shares recovered partly from a weaker opening *and ended narrowly mixed*.

The Commerzbank Index, calculated at midsession and reflecting what were yesterday's strongest prices, rose to a new three-year high of 761.6, up 0.1 on the day. But dealers said trading was thin and distorted by end-year window dressing.

***Metallgesellschaft** fell DM 10* to 211 on news Dresdner Bank is selling its 33 per cent stake to a holding company.

Motors finished softer, but Banks were mixed.

NEW YORK

Stock	Dec 29	Change	Stock	Dec 29	Change	Stock	Dec 29	Change
			Genuine Parts	45	-½	Merrill Lynch	60⅛	
Chase Manhattan	50⅝	-¾	Georgia Pac	26⅞	-⅛	Mesa Pet	11⅝	
Chemical NY	42	-¼	Gerber Prod	24¾	⅛	Metromedia	296	
Chese Pond	44¼	½	Getty Oil	49⅞	-1⅛	Midcon	25¾	
Chicago Pneum	14⅛	-⅛	Gillette	46	-½	Mid Sth Utl	15	
Chrysler	17⅞	⅛				Milton Bradley	24⅝	
Chubb	51	-1	Global Marine	9⅛	-⅛	Minnesota MM	76⅛	
Cigna Corp	44¼	-¾	Goodrich (BF)	32	-¼	Missouri Pac	76	
Cincinnati Mil	25⅞	-⅛	Goodyear Tire	36½		Mitchell Energy	15⅛	
Citicorp	34⅛	-¼	Gould	36⅛	-⅝	Mobil	25⅛	
Cities Service	49⅝		Grace	38⅜	-⅛			
City Investg	29¾	-⅝	Grainger (WW)	53½	-⅛	Mohasco	15⅛	

Indices

NEW YORK—DOW JONES

	Dec 29	Dec 28	Dec 27	Dec 24	Dec 23	Dec 22	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1059.6	1058.87	1070.55	1045.07	1045.07	1035.04	1070.55 (27/12)	776.92 (12/8)	1070.55 (27/12/82)	41.22 (2/7/32)
Transport	450.6	450.21	455.69	447.17	447.17	447.82	459.08 (6/12)	292.12 (12/8)	459.08 (6/12/82)	12.23 (8/7/32)
Utilities	119.51	119.05	119.05	118.03	118.03	117.66	122.83 (11/10)	103.22 (25/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000s st	5481	5661	6469	6283	6288	8347	-	-	-	-

	Dec 17	Dec 10	Nov 26	(Year Ago Approx)
Ind div yield %	5.35	5.31	5.36	6.34

STANDARD AND POORS

	Dec 29	Dec 28	Dec 27	Dec 24	Dec 23	Dec 22	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	158.32	157.71	159.35	156.47	156.46	155.43	159.62 (9/11)	114.08 (12/8)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	141.24	140.77	142.18	139.72	139.72	138.83	143.02 (9/11)	102.42 (12/8)	143.02 (9/11/82)	4.4 (1/6/32)

	Dec 22	Dec 15	Dec 1	Year Ago (Approx)
Ind div yield %	4.51	4.73	4.59	5.35
Ind. P/E Ratio	10.69	10.42	10.66	8.24
Long Gov Bond Yield	10.45	10.53	10.63	13.60

N.Y.S.E. ALL COMMON

Dec 29	Dec 28	Dec 27	Dec 24	1982 High	1982 Low
81.21	80.94	81.93	80.39	82.35 (9/11)	58.8 (12/8)

RISES AND FALLS

	Dec 29	Dec 28	Dec 27
Issues traded	1948	1948	944
Rises	821	631	36
Falls	712	939	551
Unchanged	415	378	357

MONTREAL

	Dec 29	Dec 28	Dec 27	Dec 24	1982 High	1982 Low
Industrials	325.34	321.74		318.45	334.89 (4/11)	249.68 (21/6)
Combined	319.66	316.51		313.83	328.8 (4/11)	237.27 (21/6)
TORONTO Composite	1934.2	1939.8		1898.5	1956.3 (4/11)	1355.7 (21/6)

U.S. PRICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

New York Active Stocks

Wednesday	Stocks Traded	3.00 p.m. Price	Change on Day		Stocks Traded	3.00 p.m. Price	Change on Day
Warner Com	800,700	31¾	+1⅞	Gen Am Oil	531,700	43½	-⅛
ATT	745,500	50⅛	-⅝	Ford Motor	498,700	40	-⅝
IBM	686,400	56⅝	1⅛	Commw Ed	487,200	25	-⅛
Exxon	551,200	29⅝	⅛	Black Dec	463,500	18¾	⅛
El Paso Co	540,800	23½	+⅛				

CANADA

(Closing Prices) Stock	Dec 29	Varn
AMCA Int.	18⅛	-½
Abitibi	17	-¼
Agnico Eagle	18⅛	+⅝
Alberta Energy	14½	-
Alcan Alumin	34⅝	+¼
Algoma Steel	24¾	+¾
Asbestos	9½	-

DENMARK

Dec. 29	Price %	+ or —
Aarhus	345	-1.2
Andelsbanken	166	+1
Baltica Skand.	302.4	...
CopHandelsbank	185	+2.4
D. Sukkerfab	401	+4
Danske Bank	185.2	+3.8
East Asiatic	93	+1.4
Forende Brygg	652	...

HOLLAND (continued)

Dec. 29	Price Frs.	+ or —
Gist.-Brocades	116.5	-0.5
Heineken	92.4	-1.6
Hoogovens	13.0	+0.2
HunterDouglas	12.0	+0.6
Int Muller	19.7	-0.6
KLM	135.5	-7.6
Naaden	23.7	...
Nat Ned cert	125.0	-2.5

AUSTRALIA

Dec. 29	Price Aust. $	+ or —
ANZ Group	3.50	-0.12
Acrow Aust	1.25	
A.O.D.	0.80	-0.03
Ampol Pet	1.37	+0.02
Assoc. Pulp Pap	1.85	...
Aust. Cons. Ind	1.15	...
Aust. Guarant	2.10	-0.02
Aust. Nat. Inds	2.12	+0.04
Aust. Paper	1.80	...

JAPAN (Continued)

Dec. 28	Price Yen	+ or —
Konishiroku	675	-1
Kubota	326	+1
Kumagia	353	-1
Kyoto Ceramic	4,470	+20
Maeda Const	521	+1
Makino Milling	763	-7
Makita	782	-8
Marubeni	290	+2
Marudai	599	+2

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Financial Rand US$0.75¼ (Discount of 18¼%)

Companies and Markets

LONDON STOCK EXCHANGE

Gilts and Golds surge higher as post-Christmas U.S. events rekindle lower interest rate optimism

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec 13	Dec 29	Dec 30	Jan 10
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

Following a resurgence of hopes for cheaper international credit, investment interest yesterday focused on Gilts and Golds when London stock markets resumed trading after the Christmas holiday. Both surged higher with British Funds ending two points up and Gold shares closing near to all-time peaks as measured by the FT Gold Mines index.

Pre-Christmas optimism about lower interest rates was boosted by Chase Manhattan's Prime rate cut on Tuesday and the Federal Reserve Board's injection of funds into U.S. money markets. Chase, the third largest U.S. bank, reduced the rate it charges prime lenders to 11 per cent, the lowest for over two years, and other U.S. banks are expected to follow. Meanwhile, the Fed's financial moves reinforced hopes that the Board would soon further lower its Discount rate, the level at which it lends short-term funds, by another half-point.

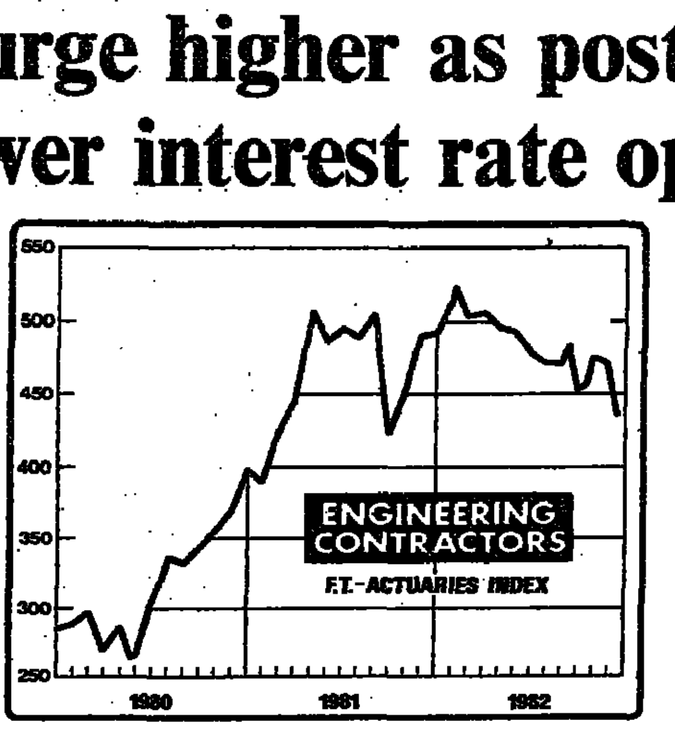
Gilt-edged investors, some on overseas account, were not deterred by higher opening quotations and Gilts at both ends of the market were soon around two points up. The bulk of the day's business was completed before noon, but quotations held close to the session's best, supported by sterling's strong recovery over the past few days against the dollar. Measuring the sector's strength, the FT Government Securities index jumped 1.46 for an uninterrupted six-day rise of 3.16, or 4 per cent, to 81.79.

Wall Street's rise to a record high on Monday and its subsequent reaction was carefully noted by equity dealers; rather cautiously, prices of leading shares were opened a shade higher, but a slack trade indicated that part of the City financial community was enjoying an extended Christmas break. Overshadowed, too, by events elsewhere in the market, blue chip industrials struggled to maintain the early fractional gains. In the after-hours' business, however, the tone improved on the back of New York, which began firmly yesterday, and the FT 30-share index doubled a 3.00 pm gain of 1.8 to close 3.5 up at 593.7.

Home Banks better

The major clearing Banks, a friendless market of late after a leading broker's estimate that they need to make bad debt provisions this year of more than £900m, staged a modest rally yesterday in thin trading. Midland picked up 6 to 300p as did NatWest, to 468p, while Barclays and Lloyds closed 4 dearer at 390p and 410p respectively. Elsewhere, further publicity given to a broker's circular helped Discount Houses to move higher in places. Cater Allen rose 5 to 355p and Jessel Toynbee edged up 2 to 82p.

In quietly firm Insurances, Sun Alliance ended 15 to the good at 985p and GRE hardened 4 to 334p and Prudential 3 to 338p.



Grand Metropolitan, widely regarded as one to follow next year, advanced 7 to a 1982 peak of 332p. The recommendations rubbed off on other leading Breweries which also displayed modest gains, albeit in a subdued trade.

The undertone in Buildings remained firm and selected leading issues made fresh progress on cheaper money prospects. Barratt Developments were noteworthy for a gain of 6 to a 1982 peak of 452p. Recently depressed Blue Circle held at 432p. AMEC, the new holding company resulting from the merger of Fairclough Construction and William Press, firmed 3 to 253p. Publication of the London Brick/Ibstock Johnsen merger document caused little excitement; the former gained the turn to 126p, while the latter slipped to 95p before reverting to 96p. Elsewhere, Magnet and Southerns found support and rose 4 to a high for the year of 182p, while Phoenix Timber, a dull market recently on poor figures, rallied 5 more to 62p. Johnstone Paints, dealt in the Unlisted Securities Market, put on 8 to a 1982 peak of 130p.

ICI encountered modest investment demand and touched 350p before closing 4 dearer on balance at 348p. Laporte edged up 3 to 211p, while Dixor-Strand attracted further speculative interest and put on 2 to 24p. Elsewhere in the Chemical sector, Ciba Geigy 8¾ per cent Convertible advanced 14½ points to £129 reflecting demand for the registered shares in Switzerland.

Comet buoyant

Widespread reports of record post-Christmas sales boosted sentiment among major Retailers which finished at the day's best. Recent strong demand for "white" goods prompted investment recommendations for Comet which advanced 17 to 262p; Currys hardened a couple of pence to 320p, but Dixons, which announces interim results next month, were unchanged at 235p. Among the High Street favourites, Marks and Spencer firmed 3 to 222p, while similar gains were marked against Woolworth, 181p, Habitat Mothercare, 228p, and Burton, 300p. In anticipation of a bumper new-year, MFI were wanted and rose 9 to 144p, while Asprey, still awaiting a takeover initiative from Sears, spurted 1½ for a two-day gain of 2½ to £10. Newsagents were irregular. W. H. Smith closed 5 to the good at 256p, but NSS encountered late pressure and shed 4 to 120p.

A few firm features appeared among secondary Electricals. Already one of the star performers of the year, Arlen attracted renewed support on consideration of the profit potential of the company's new long-life starter for fluorescent lamps and closed a further 9 up at 154p, after 158p. Demand in a thin market lifted Automated Security 15 to 363p and investment buying helped Electro-Protective to rise 7 to 198p. Eurotherm rose 10 to 545p as did Immediate Business Systems, to 234p, while AirCall advanced 15 to 290p. An investment recommendation prompted an improvement of 2 to 70p in ICL, and Forward Technology hardened the same amount to 21p following news of the management buyout of the company's Radyne subsidiary. Among the quietly firm leaders, Thorn EMI rose 5 to 420p as did Racal, to 590p.

Leading Engineers were inclined harder in extremely quiet trading. GKN edged up 3 to 118p and gains of a couple of pence were marked against Hawker, 342p, and TI, 140p. Among the occasional changes elsewhere in the sector, ML Holdings, up 5 further at 295p, continued to benefit from the company's JP 233 weapons system interests. Country buying left Evered 7 firmer at 35p, while renewed support lifted W. W. Williams 5 to 74p. Sporadic demand left Glynwed 2 harder at 90p and IMI 1½ better at 43½p. Prestwich Parker, the subject of recent Press mention, hardened a penny to 40p.

Among Foods, Irish biscuit manufacturer W. and R. Jacob, a thin market, jumped 10 to 80p in London on Press suggestions that U.S. food giant Nabisco might launch a bid for the company; the Irish stock exchange was closed yesterday. Avana rose 7 to a 1983 peak of 422p on the company's move into the fashionable cider market, while Slaters Food, dealt in the Unlisted Securities Market, gained 5 to 128p. Speculative counter Bio-Isolates met profit-taking and reacted to 260p before closing 5 cheaper on balance at 265p.

Hotels and Caterers displayed an isolated firm spot in Epicure, which attracted small but persistent support and put on 3 to a high for the year of 36p.

James Wilkes jump

James Wilkes featured miscellaneous industrials with a fresh Press-inspired rise of 23 to 168p. A 1983 investment recommendation attracted buyers to Sunlight Services and the close was 11 higher at 157p and, also still drawing strength from recent comment, George Wills added 11 to 169p. Renewed speculative buying lifted Benlox 4 to 18p, after 34p, and demand of a similar nature left Habitat 2½ to the good at 17½p. Barget put on 10 to 122p and Hoover "A" gained 3 to 85p. Turner and Newall touched 37p before closing a penny better at 36p following the sale of the group's 63.4 per cent stake in Philip A. Hunt Chemical Corporation of the U.S. to Olin Corporation for US$90m. The leaders moved higher in sympathy with buoyant gilts; BTR put on 4 to 368p as did BOC, to 173p, and Pilkington, to 147p.

The Property sector displayed a firm feature in Haslemere Estates, which jumped 20 to 382p following Press comment highlighting the quality of the company's investment portfolio. Support was also forthcoming for Land Securities which firmed 6 to 280p. MEPC, however, shed 3 to 192p and Great Portland Estates 4 to 132p on lack of interest. Elsewhere, Rosehaugh gave up 7 to 150p, but City Site hardened a penny to 28p with the 10 per cent Convertible 3 up at 26p.

Oils shade harder

Interest in the Oil sector remained at a low ebb, but quotations usually managed to hold small opening improvements. Among the leaders, Shell finished 4 higher at 418p and BP closed a couple of pence firmer at 300p, after opening at 302p. Lasmo ended 5 dearer at 295p and Ultramar 3 up at 518p. Among the more speculative issues, renewed selling left KCA Drilling down 4 more at 36p, with KCA International a penny cheaper at 53p.

Financials were featured by renewed demand for Aitken Hume, which advanced 9 to 334p. Akroyd and Smithers firmed 6 to 273p and Park Place 5 to 145p.

P & O Deferred remained on offer in Shippings, easing 2 to a low for the year of 120p. J. Fisher were dull at 105p, down 5, but Ocean Transport continued the recent recovery movement, firming 2 to 70p.

Plantations continued to respond to scattered support although business was again selective. Consolidated Plantations firmed 2½ to 51½p, with the Warrants 3 up at 11½p, while Inch Kenneth also added 5, to 270p. Harrisons Malaysian hardened a penny to 82p following the interim figures.

Fresh surge in Golds

South African Golds staged a further strong advance and approached their all-time highs as the bullion price registered a $14 rise to $462.5 an ounce—its best closing level since late-September.

The strength of the bullion price was attributed to the half-point cut in Chase Manhattan's prime rate to 11 per cent.

The share market raced ahead from the outset with heavy and persistent buying reported from all the major dealing centres. Particularly heavy buying was said to have come from London dealers.

Some profit-taking emerged at the higher levels but was insufficient to prevent the majority of stocks closing at, or around, the day's best levels.

The Gold Mines index moved to within a whisker of its best-ever level of 558.9, registering a 16.6 rise at 552.9.

The top-quality heavyweights again proved the day's best performers. Vaal Reefs surged £3½ to £69 and Randfontein £3 to £74, while gains in excess of a point were common to Southvaal, £37¼, Western Deep, £36, Free State Geduld, £30½ and Western Holdings, £32.

South African Financials fared equally well, De Beers jumping 16 more to 376p, Gencor ½ to a 1982 high of £13½ and "Amgold" £1¼ to £66½. Johnnies advanced £2½ to a year's best of £52½ in response to renewed Johannesburg buying in a market short of stock; the company has declared an unchanged interim dividend.

The Bermuda-based Minorco were the subject of sizeable American buying and moved up 55 to a 1982 high of 677p.

A sizeable business was seen in the speculative Australian Golds, notably Acorn Securities, up 6 at 46p, Kia Ora Gold, which rose 2 to 12½p, and Whim Creek, which put on 6 to 60p. The leading Gold mining issues were highlighted by Gold Mines of Kalgoorlie, which moved up 20 to a 1982 high of 540p, and Poseidon, which rose 13 to 330p. North Kalgurli added 3, at 46p, and Central Norseman 15, at 485p.

Business in Traded Options opened on a relatively encouraging note and, although activity diminished during the afternoon, total contracts done yesterday still amounted to 1,041, comprising 920 calls and 121 puts. Once again, volume levels owed much to a steady demand for Lonrho positions in which 330 calls were struck with the February 90's accounting for 193. British Petroleum and Grand Metropolitan recorded 127 and 118 calls respectively.

FINANCIAL TIMES STOCK INDICES

	Dec. 29	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	A year ago
Government Secs.	81.79	80.33	80.34	80.11	79.43	78.85	62.35
Fixed Interest	83.09	81.62	81.56	81.46	81.25	80.99	63.11
Industrial Ord.	593.7	590.2	588.4	593.4	586.7	591.2	528.9
Gold Mines	552.9	536.3	528.1	529.7	505.8	508.4	308.9
Ord. Div. Yield	5.07	5.09	5.10	5.06	5.10	5.06	6.67
Earnings, Yld.% (full)	10.92	10.95	10.99	10.91	10.99	10.89	9.95
P/E Ratio (net) (*)	10.99	10.95	10.92	11.00	10.92	11.03	12.84
Total bargains	13,767	7,555	16,655	15,534	17,344	19,534	9,140
Equity turnover £m.	—	60.06	156.42	139.58	185.22	180.24	66.46
Equity bargains	—	5,928	12,073	13,018	13,012	14,781	8,612
Shares traded (mln)	—	42.2	109.2	104.1	94.5	97.5	51.7

10 am 591.7. 11 am 592.9. Noon 592.3. 1 pm 592.0. 2 pm 592.0. 3 pm 592.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.21.

HIGHS AND LOWS

S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low		Dec. 24	Dec. 23
Govt. Secs.	81.79 (29/12)	61.60 (8/1)	127.4 (9/1/35)	49.18 (3/1/75)	—Daily— Gilt Edged Bargains	72.5	141.8
					Equities Bargains	38.4	78.2
Fixed Int.	83.09 (29/12)	62.79 (2/1)	150.4 (28/11/47)	50.53 (3/1/75)	Value	121.7	275.7
					5-day Average Gilt Edged Bargains		
Ind. Ord.	637.4 (12/11)	518.1 (6/1)	637.4 (12/11/82)	49.4 (26/6/40)	Equities Bargains	140.6	161.9
Gold Mines	552.9 (29/12)	191.2 (22/6)	558.9 (22/9/80)	43.5 (26/10/71)	Value	359.2	375.2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Dec 29 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Dec 24 Index No.	Thur Dec 23 Index No.	Wed Dec 22 Index No.	Tues Dec 21 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (208)	422.74	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (29)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (67)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (202)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (76)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (44)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (486)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (120)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (109)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	381.54	+0.6	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Wed Dec 29	Day's change %	Fri Dec 24	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	[illegible]	[illegible]	[illegible]	—	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Debentures and Loans	[illegible]	[illegible]	[illegible]	—	[illegible]
7	Preference	[illegible]	[illegible]	[illegible]	—	[illegible]

	AVERAGE GROSS REDEMPTION YIELDS		Wed Dec 29	Fri Dec 24	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]

‡Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p. CONSTITUENT CHANGES (for week ending 24/12/1982): Gillett Bros. (63), Fairclough Construction (3) and Press (Wm.) have all been deleted and replaced by Second City Props. (69), AMEC (3) and Gaillford (3) respectively. NAME CHANGE: Jessel, Toynbee is now Jessel Toynbee and Gillett. DEBENTURE CHANGE: LASMO 14%Uns.Ln 1981-83 has been deleted.

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (124)

BRITISH FUNDS (3)
FOREIGN BONDS (1)
AMERICANS (4)
CANADIANS (1)
BANKS (1)
BUILDINGS (1)
CHEMICALS (3)
DRAPERY & STORES (5)
ELECTRICALS (3)
ENGINEERING (2)
FOODS (2)
HOTELS (1)
INDUSTRIALS (12)
INSURANCE (1)
LEISURE (1)
MOTORS (1)
SOUTH AFRICANS (1)
TEXTILES (3)
TRUSTS (34)
OIL & GAS (3)
PLANTATIONS (3)
MINES (32)

NEW LOWS (9)

BANKS (1)
Bank Leumi
STORES (1)
Tern-Consulate
ELECTRICALS (1)
Pelbow
INDUSTRIALS (1)
AIM
SHIPPING (2)
Fisher (J.) P. & O. Defd.
OIL & GAS (3)
Charterhall TR Energy
KCA Drilling

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Dec 20	Dec 31	Apr 7	Apr 18
Jan 10	Jan 21	Apr 21	May 3
Jan 24	Feb 4	May 5	May 16

For rate indications see end of Share Information Service

Stocks favoured for the call included Turner and Newall, Grovebell, Premier Oil, Smith St. Aubyn, MFI, Laganvale, Hanson Trust, Venterspost, Burmah, ICL, Lonrho, William Whittington, Resource Technoolgy, Brengreen, North Kalgurli Ordinary and Options, Phicom, Benlox and Kia Ora Gold. A put was arranged in Weir, while doubles were taken out in MFI and North Kalgurli Options.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	94	—	2
Corpns. Dom. & Foreign Bonds	29	8	40
Industrials	207	96	1,025
Financial & Props.	137	35	348
Oils	25	23	62
Plantations	10	1	12
Mines	67	12	89
Others	61	52	66
Totals	630	227	1,622

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
‡‡	F.P.	—	253	250	AMEC 50p	253	+3	g9.0	—	5.1	—
‡‡	F.P.	—	14½	13	Amal.TinMines Nig.1p	13	—	—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Baltic Leasing 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bespak 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Booth (Charles) 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Breville Europe 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Br. Kidney Pat. As.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Carvermoor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cirq 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	First Talisman Inv 20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fitch&Co. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Garfunkels Rest. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Indust'l Fin & Inv Co	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Inn Leisure 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Memory Comp'r 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Micro Bus. Sys. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Munford & White	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	NMW Computers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pineapple Dance St.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Resource Tech. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	S.T.C. New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Slaters Food Prds 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Swindon Priv Hos £1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Systems Design'rs 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Technoterm SA F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Transcont. serv. 50c.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Voyager Pet. (UK)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Woodchester Invs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or −
‡‡	F.P.	—	105¾	102	AMEC 15% Uns. Ln. 1992	105¾	+¾
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bishopsgate Tst. 7½% Spd Db 2008	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cambridge Water Works 7% Red Prf '83	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Espley-Tyas 14% Conv. Uns. Ln. 1998	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	European Inv. Bk. 11½% Ln. 2002	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Inter American Dev. Bk. 12½% Ln. 2003	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Jessel Toynbee 3.75% Red.Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Keep Inv.Tst. 6.9% Nst.Red.Cum.Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London Shop 12.5% 1st Mt. Deb. 2015	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	NatWest 12½% Sub. ord Uns.Ln.2004	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide Bg.Soc. 9½% Bds. 28.11.83	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 11¼% Bds. 19.12.83	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Scottish Eastern Inv. Tst 12½% Deb. 2012	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Stoddard 10% Cum. Conv. Red Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tesco 9% Cnv. Uns. Ln. 2002-07	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Transcont. 9¼ Cnv.Ref.Uns.Ln.Nts.1991	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Woolworth Hlds. 14% Vns. Ln. '87-89	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or −
4	F.P.	6/12	9	4½	Abwood 2½p	8½	—
81	F.P.	17/12	84	79	Espley-Tyas	80	—
60	Nil	—	10pm	8pm	ICL	10pm	+2
180	F.P.	—	257	210	Jackson Expln	236	−1
92	F.P.	20/12	117	101	Mountleigh	114	+2
117	Nil	31/12	18½pm	18½pm	Park Place Inv	21pm	+1
470	Nil	—	60pm	53pm	Wolseley Hughes	60pm	—

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ❖ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ❖ Merger bid or reorganisation in progress.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Acorn Secs	46	+6	London & Liverpool	350	—
Arlen Hume	334	+29	MFI	144	+9
Comet	262	+17	Randfontein	£74	+3
Grand Metropolitan	332	+7	Vaal Reefs	£69	+3½
Haslemere Estates	382	+20	Western Deep	£36	+1¼

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Fri. close	Day's change	Stock	No. of changes	Fri. close	Day's change
Asprey	11	880	+100	ICI	8	344	—
Beecham	11	341	−6	London & Liver	8	350	+3
Midland Bk	9	294	—	Plessey	8	589	+14
Racal Elec	9	585	+5	Std Tel & Cab	8	196	—
BP	8	298	−2	Unilever	8	770	+5
GEC	8	208	—	Hollis Bros	7	25	−1
Immed Bus Sys	8	224	+4	Shell Trans	7	414	+4

APPOINTMENTS

Changes at Booker

Sir Michael Palliser is to be appointed a non-executive director of BOOKER McCONNELL on January 1 and Mr R. A. McKenzie, Mr J. A. Nutt and Mr B. J. Skipper are to be appointed executive directors on the same date. Sir Michael will also join the board of Ibec, New York-based agribusiness associate of Booker McConnell, in succession to Sir George Bishop who is retiring.

★

Mr Christopher R. Tofts, has joined the main board of the MARSHALL MOTOR GROUP as regional director, with overall responsibilities for Austin/Rover Jaguar and Rolls-Royce operations in Bedford, Peterborough, Grimsby, Huntingdon, Stamford, St. Neots and Wisbech.

★

The FOREIGN BANKS ASSOCIATION (FBA) has elected Mr Thomas H. Taylor as chairman from January 1 and as deputy chairman Mr Jacques Rambosson of Banque Nationale de Paris. Mr Leonard Jackson was re-elected secretary.

★

From January 1 Mr A. A. Horsford, general manager, is to be a deputy chief general manager of ROYAL INSURANCE (the holding company).

★

Mr Michael Stewart Banker and Mr Anthony Richard Good have been appointed directors of J. ROTHSCHILD INVESTMENT MANAGEMENT from January 1.

★

Mr R. W. C. Wheatley, who has been director (administration and technical) in the NATIONAL COAL BOARD's headquarters marketing department for the past five years, has been appointed director of scientific control. He succeeds, on January 1, Mr A. D. Makower who is retiring.

★

Mr Jason Bacon of Kidder Peabody and Company has been elected chairman of the UK ASSOCIATION OF NEW YORK STOCK EXCHANGE MEMBERS to succeed Mr J. Angus Ivory of Brown Brothers Harriman and Co. Mr John T. Powell of Shearson/American Express was elected deputy chairman.

★

Mr W. G. Muter, who was co-ordination and development director of Imperial Foods, has joined the board of R. J. READ (HOLDINGS), Norwich-based flour milling and agricultural merchanting group, as a non-executive director.

★

On January 1 Mr Stanley Sedgwick will become joint chairman of LONDON AND OVERSEAS FREIGHTERS. He will be succeeded as managing director by Mr Miles A. Kulukundis.

★

Dr Peter H. Pinchbeck who has severed his connection with the British Steel Corp., has resigned from the board of BENZOLE PRODUCERS. Mr P. D. Allen, managing director, operations-strip products group-BSC, has joined the board of Benzole Producers and will be nominated as a director of Benzene Marketing Company.

★

Mr R. Neale has been appointed a director of TULLETT AND RILEY (CURRENCY DEPOSITS) COMPANY from January 2.

CONTRACTS

A contract worth nearly £400,000 for the supply of stainless steel fire dampers for the drilling, topside and accommodation facilities of the British Gas Corporation's Rough Storage project has been won by OSV FABRICATIONS, the manufacturing division of Offshore Ventilation. The fire dampers are being supplied to John Brown Offshore for the drilling and topside facilities and to Redpath Engineering for the accommodation module. Built entirely from marine grade stainless steel the dampers are certified for use in A0 and A60 bulkheads, mounted either vertically or horizontally, and have an electro-pneumatic fail safe control system which includes a solenoid operated valve, a frangible bulb operated valve and a remote key operated override valve.

★

ANGLO-HOLT CONSTRUCTION are undertaking a £316,000 design, build and finance contract for Sandwell Borough Council for nursery units on the Oldbury Road, to be known as the Oldbury Road Industrial Estate. Building work has begun and is due to be completed in February.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Allied Irish Bank	10 %	Hargrave Secs. Ltd.	10½%
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	11 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10½%	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11 %
Bank Leumi (UK) plc	10 %	Midland Bank	10½%
Bank of Cyprus	10 %	■ Samuel Montagu	10 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	10 %
Banque Belge Ltd.	10 %	National Westminster	10 %
Banque du Rhone	11 %	Norwich Gen. Tst.	10 %
Barclays Bank	10 %	P. S. Refson & Co.	10½%
Beneficial Trust Ltd.	10 %	Roxburghe Guarantee	10½%
Bremar Holdings Ltd.	11 %	Royal Trust Co. Canada	10%
Brit. Bank of Mid. East	10 %	Slavenburg's Bank	10 %
■ Brown Shipley	10½%	Standard Chartered	‖10 %
Canada Perm't Trust	11 %	Trade Dev. Bank	10 %
Castle Court Trust Ltd.	10½%	Trustee Savings Bank	10 %
Cavendish Gty Tst Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	*United Bank of Kuwait*	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	10½%	Whiteaway Laidlaw	10½%
Citibank Savings	¶ 9 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10½%
C. E. Coates	11 %	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10 %		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	11 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.5%, 1-month 6.75%. Short-term £8,000/12-months 7.5% & 1%.
† 7-day deposits on sums of: under £10,000 6¼%, £10,000 up to £50,000 7¼%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

BUSINESS LAW

The year in Europe

BY A. H. HERMANN, Legal Correspondent

THIS HAS been the year when French courts have made the headlines with their industrial relations decisions. In April the appeal court of Rouen upheld a decision awarding damages against a trade union to employees who wanted to work but were prevented by industrial action. More significantly, on November 9, the supreme court (Cour de Cassation) dismissed another appeal against a lower court's decision awarding similar damages against the CGT, the Communist-controlled trade union. The trade union was held liable for loss of wages suffered by the plaintiffs who refused to take part in a sit-in strike and were denied access to the factory.

The court held that the union's immunity from civil liability for damage suffered by third parties—by the exercise of the right to strike—did not absolve it from responsibility for damage caused by participation in criminal offences which could not be considered part of normal strike action. The refusal of management to accept union demands was found by the court to have been motivated by economic considerations, without any hostile intent. It did not justify the trade union denying the plaintiffs their freedom to work.

It is surprising that the EEC Commission, which likes to live dangerously, has not so far proposed harmonisation of the right to strike. Together with the European Parliament it has, however, spent quite a lot of energy this year on reforming industrial relations of multinational companies.

The Vredeling proposals—a draft regulation calling for information and consultation of employees of multinational companies in matters likely to affect their interests—have been the subject of much lobbying. In the end Mr Ivor Richards, the Commissioner for Social Affairs, performed a hat-trick and left both sides feeling that they had won: the trade unions are happy in the expectation that they will nominate the employees' representatives without the indignity of an election, and the multinationals are happy with the assurance that the Commission does not intend to achieve a shift in the industrial balance of power.

Another long-standing and much hated project of the Commission which has been toned down during 1982 is the draft of a block exemption of patent licences. The Commission's original proposal threatened to make licensing almost impossible, and was found quite unacceptable by the British Government, to the great relief of all the other governments which did not like it.

One of the crucial issues took on an almost religious significance for the Commission's trust-busters, is the granting of exclusive licences an evil in itself or only in those circumstances when it can be shown to distort competition and affect trade between member states? For a full 11 years, during which the Commission and then the European Court pondered the Maize Seed case, this issue has remained in the balance. Finally, in June, the court gave its long-awaited judgment. It held that exclusive licences were not an evil in themselves, in that they were not necessarily prohibited by Article 85 of the EEC Treaty, but made a complete nonsense of this reasonable ruling by adding that it was an infringement of the competition rules to try to protect the exclusive licensee by stopping parallel imports.

As Madame Simone Rozes, the advocate-general in this case, explained in her conclusions, no-one will bother to take-up an exclusive licence and spend much time and money on cultivating first the licensed varieties and then the hybrids obtained by their crossing, without some assurance that the carpet will not be pulled from under his feet by imports of the hybrid seed.

> Rules that are too weak to contain the stresses generated by industrial strife, trade disruption and a dangerously impetuous banking system

The court, however, can blithely ignore such profane considerations. Legal doctrines seem to be more important both to the Commission and the court than economic and commercial realities and this may deter investment in innovation, without which Europe can hardly compete with the U.S. and Japan.

Throughout the year the court has been preoccupied with questions of power and jurisdiction. It upheld the Commission's directive seeking transparency of financial relations between member governments and public enterprises against the opposition of France, Italy and the UK, which argued that the Commission had no powers to issue such directives. In another judgment, it held that free trade agreements concluded by the Community with other countries created for member governments obligations directly enforceable in their courts even if there was no reciprocity for this. The court is now considering its own jurisdiction over obligations resulting from Gatt.

The methods of the competition department of the EEC Commission came under the scrutiny of the House of Lords Select Committee on the European Communities. In a critical report the committee made it plain that it shared the widely held suspicion that Brussels' trust-busters are dilatory and unnecessarily secretive, and that they try to combine the role of investigator, prosecutor and judge. The Commission has made a few gestures to create the impression that it is mending its ways but, in fact, nothing has changed.

The appeal by Pioneer and its UK and German distributors against crippling fines imposed by the EEC Commission in 1979 is now pending before the European Court. It reveals once again the inadequacy of the Commission's fact-finding and reinforces the proposal that appeals from the Commission should be to a specialised competition court which would, in the first instance, establish the facts and then consider the legal issues.

The U.S. embargo on supplies for the Siberian pipeline demonstrated once again how the absence of an international agreement on legislative jurisdiction and extraterritorial application of national laws provides fertile ground for political conflicts between allies.

As the year drew to an end, the EEC conflicts and legal problems were overshadowed by the threat to the free trade system of Gatt and to the world banking system. It is being realised with some alarm that such international understandings as exist about banking regulation and practices have no force of law and can easily be evaded behind the screen of banking secrecy; and that even these unsatisfactory arrangements are limited to major industrialised countries and do not deal with the role of the lender of last resort.

Over 100 of the world's top 500 banks come from non-OECD countries, where supervisory standards are often lax. As a result, banks based in certain countries and offshore centres and in the Middle East can do much more business with the same amount of capital than their competitors in countries with well-established and strict supervision. They can offer better terms and grow faster. Paraphrasing Gresham's law, one can say that bad banks push out good banks. There is urgent need for some international law-making.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 17

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Thursday December 30 1982

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SPENDING LIKELY TO DISAPPOINT U.S.

Japan to restrict defence budget

BY JUREK MARTIN IN TOKYO

JAPANESE defence spending in the next fiscal year is now likely not to increase by as much as either the Government's own Defence Agency or the U.S. wants.

The budget for fiscal 1983, starting next April, is expected to envisage defence spending rising by a little over 6 per cent in real terms, compared with the 7.8 per cent rise in this financial year.

The Defence Agency had sought a 7.3 per cent advance. The U.S., which wants Japan to spend much more on defence, had been pressing for at least that amount. But the Finance Ministry's draft of an austere budget allocated defence only an extra 5.1 per cent – to $11.3bn.

The subsequent tortuous budgetary negotiations, which should be concluded either today or tomorrow, should produce (as is usually the case) a splitting of the difference. But probably, only an extra percentage point or so will be added to defence.

This would not give Mr Yasuhiro Nakasone, the Prime Minister, a very strong bargaining counter when he goes to Washington next month. Just before Christmas, the U.S. Senate passed a resolution which urged Japan to spend more on defence. However, the Prime Minister may be in a position to promise the U.S. new military technology exchanges.

In a speech yesterday Mr Shintaro Abe, the Foreign Minister, repeated that the Government should try to adhere to the principle laid down in the 1970s that defence spending should not exceed 1 per cent of gross national product (GNP). He added: "We will be close to that next year."

He conceded that to stick rigidly to this goal – a highly sensitive figure in Japanese political terms – might not be possible, if for no other reason than that growth in the GNP was variable.

If 3.4 per cent real growth is achieved in the next fiscal year, as projected by the Economic Planning Agency (EPA), and if the Finance Ministry's 5.1 per cent defence increase were implemented, military spending would equal 0.97 per cent of GNP. Even a small increase in expenditure could breach the ceiling.

Vested interests in Japan are complaining about the tightness of the overall budget. Its likely size – about Y50.5 trillion ($212bn) – constitutes virtually no real increase over the present year.

The so-called "second tier" budget, the fiscal loan and investment programme financed largely by post office savings accounts, also shows, at Y20.46 trillion, a minimal real increase.

Since revenues in fiscal 1983 are estimated at Y32.6 trillion, with the Government having ruled out a tax increase, the deficit-covering bond programme will increase by about a third to Y13.6 trillion.

Mr Nakasone has already postponed as unfeasible his predecessor's proposal to cease issuing deficit bonds in 1984.

Apart from defence, the only sectors guaranteed noticeable increases are foreign aid – up over 5 per cent to Y593bn in the Finance Ministry draft – and energy-related projects, with a similar rise. For the most part, the tale is either of reductions in outlays or of holding spending constant at this year's levels.

In forecasting economic prospects for next year, the EPA finds itself more or less in line with private Japanese research organisations and with the Organisation for Economic Co-operation and Development (OECD), which last week predicted 3.5 per cent real growth for Japan.

Because of global economic problems, the EPA expects most of next year's advance (2.6 percentage points) to be internally generated. But it anticipates that Japanese exports will grow a little faster than imports.

UK group sells stake in Hunt for $90m

By Carla Rapoport in London

TURNER & Newall, the troubled British asbestos products and construction materials group, has sold its stake in Hunt Chemical, a U.S. speciality chemicals concern, to Olin Corporation for $90m.

T & N, which reported a £4.5m ($7.2m) loss for the first six months of 1982, said it was selling its 63.4 per cent stake in Hunt to reduce its debt. Olin, the diversified U.S. chemical group, paid $23 a share for the stake, which represents a sharp premium to Hunt's recent trading price of between $17 and $18.50.

At the same time T & N has announced that Mr Wilfried Newton, group managing director, will leave the company at the end of March to become chairman of the Hong Kong Mass Transit Railway Corporation. Mr Newton's departure follows the recent resignation of T & N's former chairman, Mr Stephen Gibbs. Sir Francis Tombs was appointed executive chairman of the group last month.

The Hunt stake was considered the remaining jewel in the company's well-tarnished crown. The U.S. company has been a fairly steady profit spinner since T & N acquired its stake in 1977. T & N's traditional businesses, however, have soured in recent years due to their heavy dependence on the construction and automotive industries.

Added to these troubles have been mounting claims from employees who have contracted asbestos-related diseases. Provisions for these claims were £3.1m in the six months to June 1982, compared with £1.8m a year earlier.

The company said yesterday that the sale of the Hunt stake would reduce the company's debt-to-equity ratio from about 60 per cent to a more manageable 40 per cent. T & N officials confirmed that the group would not pull out of losses for 1982, but held out hope for a recovery in 1983.

Mr Wilfrid Newton pointed out that the company had borrowed about $30m in the U.S. when it bought its first slice of Hunt's shares in 1977. The Hunt dividends did not cover the financing charges of that debt when interest rates subsequently rose.

"Hunt wasn't bringing any joy to the Turner & Newall shareholders right now," said Mr Newton. He agreed that the company had a lot of potential for earnings growth. Even so, he said the company's current financial position made "a dramatic reduction in debt necessary."

The Hunt sale is the third major disposal of assets this year. In June the group announced the sale of its PVC plastic resins business to Norsk Hydro for £25m.

Men and matters, Page 8; see Lex

French telecom profits hit by state decision to tap income

BY DAVID WHITE IN PARIS

THE PROFITS of France's telecommunications authority, one of the country's main borrowers on the capital markets, risk being virtually wiped out this year as a result of the Government's decision to cream off some of its earnings in support of the overall budget.

Net results of the Direction Générale des Télécommunications (DGT) – the most profitable branch of the Post Office – already dropped sharply from FFr 8.2bn ($1.2bn) in 1980 to FFr 1.9bn last year.

The Government decided this year to dock part of the DGT's income although the final sum is still subject to negotiation, the target was half of the 1981 operating result, of FFr 2.8bn.

Estimates made by the telecommunications authority in November, following the price freeze, put the 1982 operating result slightly lower than 1981's at FFr 5.5bn, and provisions for foreign exchange losses at FFr 3.6bn. The deduction of FFr 2.8bn would have led to a net loss – the first in the history of the DGT.

This would be in addition to an estimated FFr 2.5bn deficit in the postal service, where the Government is injecting, as another new measure, more than FFr 1bn this year to help pay for the cost of newspaper distribution.

The recent decline of the dollar has however led officials to revise their forecasts for financial costs. The operating profit is now expected to be closer to FFr 6bn, and exchange provisions may be brought down to below FFr 3bn, leaving room for a small profit.

Telecommunications account for about two thirds of total post office borrowing, which has gone well over target to reach some FFr 15bn this year. The overall borrowing requirement for next year is put at FFr 15.8bn.

Total outstanding debt of the French telecom service stands at about FFr 90bn. This includes more than FFr 60bn borrowed by the Caisse Nationale des Télécommunications, of which about 40 per cent is denominated in dollars and 26 per cent in other foreign currencies.

Although the budget levy was decided as an "exceptional" measure, a further FFr 2bn is due to be taken from telecom earnings next year.

However, with the loss in postal services expected to be cut back to under FFr 2bn, the Post Office is counting on a net surplus of FFr 781m for the year, according to its 1983 budget projections.

Since 1923, the Post Office has had a special budget, aimed at allowing it to be run on the lines of an industrial venture.

● Banque Française du Commerce Extérieur, which recently made a $500m Eurodollar borrowing, has more than doubled its capital through its 10 state or semi-state banking shareholders.

Capital has been raised from FFr 300m to FFr 660m, with FFr 60m coming from reserves and the remainder through subscription to new shares. As a result the shareholding structure is slightly altered, with the three big state-owned commercial banks taking a larger share, reflecting their role in foreign trade.

The Bank of France and the Caisse des dépôts et Consignations remain the biggest shareholders with just under 50 per cent between them.

UK strike losses near 8m days

By Philip Bassett, Labour Correspondent, in London

BRITAIN lost almost 8m working days through strikes in 1982, nearly double the figure for the previous year.

While the protracted pay dispute in the National Health Service made a large contribution to the overall loss of time through stoppages, it is clear that the underlying level of other strike activity also showed an increase.

Provisional figures released yesterday by the Department of Employment showed that the number of days lost so far this year through strikes was 7,852,000.

While that is much higher than the comparable total for 1981 of 3,947,000, it is still lower than the average for the same period over the past 10 years of 11,886,000.

December is traditionally a quiet month for industrial action. Disputes this month are likely to push up the 7.8m total a little higher, but probably not quite to 8m.

The 1982 figure is inflated by the NHS dispute, but then so was the 1981 figure, by the parallel pay dispute in the Civil Service.

The 1982 figures will be about two thirds of the total for 1980 of 11.9m days lost – though here the 13-week national steel strike again pushed up the figures.

Mexico set to cut state bank holdings

BY RONALD BUCHANAN IN MEXICO CITY

PRESIDENT Miguel de la Madrid of Mexico is returning to the private sector up to 34 per cent of the shares in the country's recently nationalised banks.

The Bill containing the proposal was given a first reading by Congress less than 24 hours after it was tabled. The Mexican Congress is overwhelmingly dominated by the ruling Institutional Revolutionary Party, which means the move is virtually certain to be approved.

The new shareholders in the banks can include autonomous government agencies, trade unions and bank employees. But at least 66 per cent of the shares in any one bank must stay in the hands of the Federal Government.

Under the new law, no one person or corporate body may hold more than 1 per cent of any bank's shares. A shareholding gives the right to earn profits and sit on a committee, with merely consultative powers, which replaces the former shareholders assembly.

Each bank will have a board of directors of whom the majority will be appointed by the Finance Ministry.

A new department – the banking under-secretariat – has been established at the ministry to oversee the re-organisation. Sr Carlos Sales, a senior official at the ministry, is to be the new Under-Secretary.

Officials said that the 52 banks now operating will be reduced to around 12, known officially as "national credit associations."

Several problems have yet to be tackled. For instance, it has yet to be decided what to do with the sizeable holdings which the banks have in private industry. Any return of these to the private sector would be sure to produce further strong protests from the left and perhaps from the official labour movement.

Another problem is the considerable duplication of functions under the present system. Several Mexican banks have representative offices in London and New York where only one in each centre would appear to be justified under a state-run system.

Opposition deputies complained that Congress was being steamrollered. The main left-wing party, the United Socialist Party of Mexico, described the Bill as a "flagrant violation" of the nationalisation.

The Socialists had strongly backed the nationalisation ordered by ex-president Sr Jose Lopez Portillo on September 1.

The move caused considerable surprise at home and abroad, but it allowed Sr Lopez Portillo to leave office amid a wave of nationalist and left-wing euphoria which tended to overshadow the nation's grave economic crisis.

Oil exports rise forecast, Page 2

Dresdner reduces holding in MG

By Jonathan Carr in Bonn

FOREIGN investors, who are believed to be mainly from the U.S. and Africa, are taking a stake in Metallgesellschaft (MG), the West German industrial concern in which Kuwait already has a 20 per cent interest.

The move comes after months of rumours about a prospective change in shareholders at MG, which is a leading metals, process plant, chemicals and transport concern with annual sales of nearly DM 10bn ($4.16bn). It is among the top 200 European companies as listed by the Financial Times on the basis of market capitalisation.

In a transaction which, for tax reasons, is going through at the turn of the year, Dresdner Bank is disposing of its 33 per cent stake in MG to a new holding company, called GMW Gesellschaft für Metallwerte.

However, Dresdner, the country's second biggest commercial bank, will retain an interest in MG since it will be one of the two equal shareholders in the new holding.

The other partner is Afro American Investment Holding, which is registered in the Cayman Islands and is understood to group institutional and private investors in the U.S. and Africa (including Nigeria).

There is no official word on the value of the transaction. But the sale of one third of MG's nominal capital of DM 240m, at the current market price of some DM 215 per share, implies a figure of about DM 350m.

However, there is no way of telling exactly what sum flows to Dresdner from the deal.

Despite its need (in common with many West German banks) to make large provisions against major new risks, Dresdner has been earning well this year and is maintaining its dividend without dipping into reserves.

The official explanation of the deal is that it marks a further step in the bank's long-standing policy of reducing its major holdings in West German industrial concerns.

A year ago, Dresdner cut its stake in the building concern Bilfinger und Berger in another transaction involving Afro American (a company of which little is known, but with which Dresdner is understood to have excellent business relations).

At the start of 1981, Dresdner also disposed of 10 per cent of its holding in MG to Kuwait Petroleum. That transaction in turn had followed the purchase in May 1980 by the Kuwaiti Government of a 10 per cent stake in MG from a Swiss bank.

The particular attraction of the new deal for Dresdner is that, besides making some money and cutting its holding, it will still be able to supply two members – and occasionally the chairman – of MG's supervisory board.

The interest of Afro American in the deal is much less clear – above all because so much about this holding, its exact participants and their other interests, remains obscure.

Despite temporary troubles for MG, which mean that it is omitting its dividend for the first time in 30 years, its long-term prospects look good. In particular MG's process plant engineering subsidiary, Lurgi, is still performing well and its technical knowhow must be a special attraction for foreign interests.

See Lex

Debt crisis over, says UK banker

Continued from Page 1

totally undermines the social and financial structure of a country."

The economic problems of the UK, although partly a result of the world recession, were "related to high levels of inflation." Britain's high level of unemployment stemmed partly from a loss of competitiveness, which was related to previously high rates of inflation.

Mr Leigh-Pemberton refuted recent criticism by the former Labour Chancellor of the Exchequer Denis Healey that he lacked sufficient experience of international banking.

"My response is that within the Bank of England there is plenty of experience of this nature. I will have advantage of this experience and advice and I shall add to that what I hope are adequate qualities based partly on my own ability to analyse."

He stressed he had been chairman of National Westminster Bank for nearly six years, had attended five International Monetary Fund meetings and was acquainted with the world's leading central bankers.

Mr Leigh-Pemberton will be the first clearing banker to become Governor of the Bank of England. He said that fears that this might in some way influence his judgment were exaggerated.

THE LEX COLUMN

Dresdner tops up its reserves

Dresdner Bank has finally settled weeks of rumour on the Frankfurt stock market about the fate of its 33 per cent holding in Metallgesellschaft. The shares are to be sold to a new company in which Dresdner will have a direct interest of 50 per cent. The bank has made little secret of its wish to sell the Metallgesellschaft stake and the deal was being presented yesterday as part of the bank's long-term strategy of running down its industrial holdings.

Yet, with Metallgesellschaft shares trailling roughly a third below the level at which Dresdner sold a 10 per cent stake to the Kuwaitis two years ago, it looks as if the timing of the transaction has been dictated by tactical, rather than strategic, considerations. Dresdner has pledged itself to the payment of a maintained dividend at a time when the heavy provisions which it must be making against AEG-Telefunken and international risks are offsetting the gradual improvement in its interest margins. So, the cash proceeds of close to DM 175m which this deal may produce will provide a welcome bulwark for inner reserves.

Wall Street

Manufacturers in the U.S. may be operating their plant at the lowest capacity utilisation recorded since 1948, but window dressers in the financial sector are having as busy a year-end as ever. The Federal funds rate has moved up sharply this week, distorted by the traditional late-December balance sheet inflation of the commercial banks, plus perhaps some initial accumulation of reserves by them ahead of a major social security payment next Monday.

The Fed has been intervening to help ease the resulting discomfort in the debt markets and did so again yesterday when Fed funds touched 10 per cent. But the Treasury's recent $24bn funding blitz has been successfully completed and no-one expects the Fed to exert much effort to counteract such short-term aberrations.

New York equities have also been active, with the NYSE trading 84.7m shares last Monday. The rise of the Dow Jones Industrial Average to a record high of 1070.55 that day shows that takers of 1982 profits found plenty of willing buyers.

But the surge in some hard hit sectors, most especially the steels, looks more like a gamble on a seasonal year-end rally than any real economic upturn in the new year.

Turner & Newall

Sir Francis Tombs has lost no time in settling into the hot seat at Turner and Newall. Since he arrived at the UK group six weeks ago, it has pushed through two disposals. The first, of Storeys Industrial Products, extended the previous UK rationalisation policy, removing around £2m in annual losses at the cost of a small – unquantified – write-off. Yesterday's announcement of the sale of its 63 per cent cent stake in Philip A. Hunt, however, marks a sharp change of direction. The company that was once hell-bent on expanding into speciality chemicals is now being forced back to its core businesses in asbestos mining, construction and automotive products.

The main impact of the deal will be in the balance sheet, where the group will eliminate about £80m of debt. Following the Storeys disposal, and the recent sale of BIP Vinyls, net borrowings should emerge next year at about 40 per cent of shareholders' funds, or about 43 per cent after writing down the Zimbabwe assets to take account of the recent devaluation.

This debt reduction will give welcome relief to a profit and loss account where net interest charges in the first half of this year amounted to £12.8m, and where funding costs associated with the U.S. company were not covered by dividends received.

While this still leaves the group with the uphill task of trading its way out of its problems with mature products in lifeless markets, the shares responded marginally to the evidence of action yesterday, rising 1p to 36p.

Capital gains

The UK's Inland Revenue neatly managed to ruin the Christmas festivities for City of London computer programmers – with its announcement of a simplification in capital gains tax indexation. Most of the painful reprogramming for the identification rules had been completed; now they will have to start from scratch to take "parallel pooling" into account. The new rules – designed for large institutions which buy in and out of a few stocks – are much more straightforward, and mean that records of stock purchase and disposal back to the year dot need not be kept.

The parallel pooling statement is vague, but it looks as if the legislation to be introduced in the next Budget will be backdated to the 1982 Finance Act. In that case, institutions will be able to switch directly from the old pooling system to parallel pooling. Meanwhile, a tight time limit is likely to be imposed on the irrevocable decision by each institution to switch to parallel pooling. In the early stages, the system will tend to produce higher tax bills than the identification rules. So there may be some feverish calculations on whether the loss on this front will be made up by administrative savings.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Dubrovnik	S	9	48	Malaga	S	13	55	Salzburg	C	0	32
Akrotiri	S	16	61	Faro	S	14	57	Malta	F	16	61	Seoul	S	8	47
Algiers	S	15	59	Florence	S	11	52	Manila	S	29	84	Singapore	C	29	84
Amsterdam	C	9	48	Frankfurt	S	4	39	Miami	C	25	77	Stockholm	S	-1	30
Athens	C	12	54	Funchal	F	18	64	Milan	Fg	1	34	Strasbourg	S	5	41
Bahrain	S	19	66	Geneva	S	5	41	Moscow	C	0	32	Sydney	C	24	75
Bangkok	S	28	82	Gibraltar	C	14	57	Munich	Sn	0	32	Taipei	S	22	72
Barcelona	S	10	50	Guernsey	S	7	45	Nairobi	–	–	–	Tangier	S	15	59
Beirut	R	19	66	Helsinki	Sn	-3	27	Naples	C	9	48	Tehran	–	–	–
Belgrade	C	4	39	H. Kong	S	19	66	New Delhi	C	15	59	Tel Aviv	R	11	52
Berlin	S	1	34	Innsbruck	S	1	34	New York	C	17	63	Tenerife	F	19	66
Biarritz	C	5	41	Inverness	S	9	48	Nice	S	12	54	Tokyo	S	12	54
Blackpool	C	9	48	Istanbul	R	5	41	Oporto	S	12	54	Toronto	S	9	48
Bordeaux	S	3	37	Jersey	S	7	45	Oslo	S	1	34	Tunis	C	14	57
Brussels	C	6	43	Jo'burg	S	31	88	Paris	C	8	46	Valencia	S	13	55
Budapest	S	5	41	Las Palmas	S	18	64	Prague	C	1	34	Venice	S	9	48
B. Aires	C	31	88	Lima	S	27	81	Reykjavik	Sn	0	32	Vienna	F	3	37
Cairo	C	17	63	Lisbon	C	14	57	Rio de J'o	R	31	88	Warsaw	C	2	36
Cape Town	–	–	–	Locarno	S	11	52	Rome	S	12	54	Zurich	F	2	36
Caracas	S	24	75	London	C	9	48								
Casablanca	S	16	61	Los Angeles	C	19	66								
Copenhagen	S	5	41	Luxembourg	F	2	36								
Corfu	C	11	52	Madrid	S	14	57								
Dublin	C	8	46	Majorca	S	16	61								

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Snow Report

EUROPE

Avoriaz (Fr)	70–100 cm	Worn patches on lower slopes.
Cervinia (It)	80–300 cm	Good base of snow everywhere.
Crans (Sw)	25– 60 cm	Worn patches on lower slopes.
Davos (Sw)	40–140 cm	Good skiing. Fresh powder.
Kitzbühel (Aus)	30–105 cm	More snow needed good high.
Murren (Sw)	20– 70 cm	Lower slopes worn and icy.
St Anton (Aus)	35–140 cm	Good skiing everywhere.
Seefeld (Aus)	35– 45 cm	Good powder skiing off piste.
Val d'Isere (Fr)	45–130 cm	Off piste variable.
Wengen (Sw)	10– 40 cm	Bare and icy patches.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Alpine (Calif.)	120–190 ins	Groomed powder, Recent snow.
Aspen (Col)	18– 52 ins	New snow. Cold.
Park City (Ut)	60– 73 ins	Packed Powder. Clear and cold.

East coast resorts: Generally poor snow; unseasonally warm.
Figures indicate base at lower and top stations

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